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SAN FRANCISCO
OFFICE OF THE MAYOR

BUDGET MESSAGE

1953, 1972, 1973, 1974, 1975,
1977, 1980, 1981, 1983, 1992

Budget Messages for the intervening years are not available.

SF

MRS

#6

4/15/53 DOCUMENTS DEPT.

JUN 10 1953

SAN FRANCISCO
PUBLIC LIBRARY

OFFICE OF THE MAYOR
SAN FRANCISCO

April 15, 1953

The Honorable
The Board of Supervisors
235 City Hall
San Francisco 2, California

Gentlemen:

As provided in Section 72 of the Charter, I submit to your honorable Board today the following:

The consolidated 1953-54 budget estimates for all city departments and offices of the city and county;

The proposed 1953-54 budget;

The detailed estimates of 1953-54 revenues of each department;

The estimate of the 1953-54 requirements to meet bond interest and redemption and other fixed charges and revenues applicable thereto;

The draft of the 1953-54 annual appropriation ordinance prepared by the Controller.

Proposed bond issues to provide for financing the necessary public improvements requested this year and scheduled for the succeeding 5 years, the costs of which are too large to be financed from current revenues.

Net departmental budget requests for 1953-54 as submitted to me, not including the new salary rates in accordance with the provisions of the Salary Standardization Ordinance recently adopted by your honorable board, totalled \$184,965,839. This represents an increase of \$14,993,048 over the budget as

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adopted for the current year, 1952-53. I have reduced the budget estimates by \$8,791,157. The budget transmitted for your consideration amounts to \$176,174,682.

The cooperation and coordination achieved this year in my review of the budget estimates was very satisfactory with certain exceptions which will be discussed in this message.

As usual, Mr. Harold H. Jones, Purchaser of Supplies, with the approval of Mr. Thomas A. Brooks, Chief Administrative Officer, reviewed and reported on all budget requests for the replacement of automotive and related equipment. Our Controllor, Mr. Harry D. Ross, again participated in the budget review and supplied current financial and other information which proved of substantial value.

The contributions of Mr. Ross, Mr. Jones and of many commissioners and department heads to my review of the departmental budget estimates are greatly appreciated.

In a communication to most departments, dated November 24, 1952, my policy for the operating budget for 1953-54 was stated as follows:

"The objective of my budget policy for the fiscal year 1953-54 is again to make sure that the programs and services of our city and county government which directly affect the basic needs of our citizens are provided without adding to the local tax burden of our citizens. This policy is imperative because inflation and international tension still threaten the well-being of our community and our nation. Your concurrence in meeting the problem is essential.

"The policy adopted to reach this objective represents a departure from previous policies in approach. This year, it is my desire to limit the number of tax dollars to be raised and to provide for the allocation of these resources at the outset.

"You are therefore requested to limit your budget estimates for items other than capital improvements as transmitted to the Controllor so that no overall increase in operating expenditures is programmed beyond the amount appropriated for non-capital items by the 1952-53 appropriation ordinance

as finally adjusted. Excepted from this limitation will be increases necessary in connection with mandatory programs and services if all or most of the department's expenditures are related to said mandatory activities. Increases will also be excepted from this limitation if they can be supported by new or additional revenues other than ad valorem taxes or unallocated general fund revenues.

"No increase in number of employments should be requested unless for mandatory activities or unless the employment will be supported by funds other than those coming from ad valorem taxes or unallocated general fund revenues.

"In the past, additional personnel, equipment, or services have been requested on the basis that unit-costs would be reduced or revenues increased. Such requests frequently resulted in overall increases in budget estimates. This year you will be expected to offset, if possible, such items by reducing other items until costs are reduced or revenues are increased. Upon realization of these objectives, the items eliminated or reduced will be restored if the need still exists.

"Past experience in budgetary and other administrative matters assures me of your successful execution of this policy."

For a small group of departments the above policy was even more limiting insofar as the allocation of tax dollars is concerned.

Generally, those responsible for the administration of the departments are to be commended for the successful application of this policy. Notable in this group is the Recreation and Park Department since this commission and their General Manager have presented to me a budget calling for less tax support and for the second successive year a reduction in personnel was achieved even while service has increased.

It is my opinion that had it not been for the application of my budget policy that the departmental budget estimates as transmitted to me would have been several million dollars higher.

I also must report that a few departments apparently did not comply with this policy. Inspection of the departmental budget estimates will indicate the few

exceptions. However, I have made every effort to so adjust these budgets that the budget estimates as transmitted to your honorable Board of Supervisors conform to the policy stated above.

This year my approach to the budget emphasized the responsibility of departments to budget in terms of a given amount of money. The decisions as to what items to reduce or eliminate were placed squarely on the operating administrators. My budget review in those instances where this was done was confined to a review of policy items and to a determination that the estimated costs of operation measure up to a high standard of efficiency.

Because the Department of Public Health and the Department of Public Works did not prepare a budget within the tax resources allocated to them in my letter on budget policy, an item by item approach was used.

The Police Commission submitted budget estimates requiring substantial additional tax support. This budget, however, was presented in this form merely to indicate to the public what police requirements are at present, and the Police Commission understood that the additional amounts requested would be greatly reduced. It is recognized by all concerned that it is not now possible to recruit sufficient uniformed personnel to fill all the new jobs requested. You will note that I deleted 120 of the 129 new jobs requested by the Police Department.

In my past four budget messages, some of my reasons for concern over the tax burden have been stated. Each year, however, the subject must be re-evaluated and amplified.

In discussions on taxation, it is sometimes said that taxpayers work to support the government. Actually taxpayers work to support themselves and pay taxes

for the services supplied to them or for them by the government. The taxpayer does not support the government in any more real sense than he does his grocer, landlord, or anyone else with whom he does business.

One feature of taxes which distinguishes them from other payments is that taxes are compulsory. Another is that the service is not necessarily rendered to the person who pays the taxes which support the service.

Discussions of tax burdens usually include the problem of how high taxes can become before we go broke, but almost completely ignore the problem of how high they can be and still permit us to remain free. The higher the tax the less is the amount left to each person for personal choice or personal control of what he earns.

Most taxes are not payments made from the excess that the wage earner has left over after he has paid for the necessities of life, nor are they the excess amounts which can be taken from profits on investments without destroying the free enterprise system.

A study made by the Federal Reserve System shows that personal taxes now take more than three times as much of the consumer dollar as they did at the beginning of World War II, or 11.6¢ of every dollar the consumer uses.

The burden of taxation can not be escaped, although many people appear unconcerned about this problem because the tax is "hidden" or indirect. Those paying no tax or only small amounts of taxes directly think that they have shifted the burden to another group. An intense amount of educational effort must be made to show that the tax is there although hidden in payments for rents and the prices for services and commodities. Many items would be cheaper to the consumer if the taxes paid by the producer, retailer, and landlord were less.

In 1776 the people of Pennsylvania wrote into their constitution "the purpose for which any tax is to be raised ought to appear clearly . . . to be of more service to the community than the money would be if not collected". I have earnestly attempted to apply this principle in my review of the budget now before your honorable Board of Supervisors for your consideration.

The findings of the Grand Jury are that "it is the considered opinion of this committee that the Mayor, by close and careful scrutiny of the budget presented to him has been able to reduce budgetary requests to such an extent that in two years San Francisco's tax rate has dropped from \$6.29 per hundred of assessed valuation to \$5.67. This stands out in emphatic contrast to the trend of taxation nationally, on the state level and in various nearby communities. This committee cannot expect that the Mayor alone can hold the line for tax reductions for a third year in a row. Certain salary adjustments, voted by the citizens, will inevitably involve an increase in taxation. However, it would be a dereliction of duty if this committee failed to officially and formally commend the Mayor for his careful budgetary policies which have resulted in substantial savings to the taxpayers of this city."

These achievements were of course possible only because your honorable Board of Supervisors, many of our fine city and county officials and I worked together to reach a common goal.

Recent discussions have been focused on the relationship between budget reductions and supplemental appropriations. It is well known that because of certain legal provisions related to the budget and accounting procedures substantial sums become available for supplemental appropriation during the year. In

view of this fact, I have reduced certain items with the realization that supplemental appropriations will be necessary next year. If I did not make such reductions, more taxes would be collected than are necessary to support the budget.

It is true that some additional work is required to process supplemental appropriations. My office is one of those involved in this extra work and I am willing to undertake this additional burden knowing that this process helps to eliminate unnecessary large amounts of surplus.

I am on record against making cuts which will be adjusted by supplemental appropriations except as indicated above. As of April 10th 339 requests for supplemental appropriations have been submitted to me. In spite of my communications to departments that they should live within the budget, a few operate as though the budgeted amount is not intended to last through the budget period. I am not legally vested with sufficient controls to correct this abuse. Methods have been and are under consideration to implement and strengthen budgetary controls.

You will note in your review of the budget in the case of a few departments a shocking lack of explanation and justification for the funds requested. It may well be that much of this information could have been presented orally if departmental budget hearings could have covered many days. In view of the time limits as set by Charter for my budget review this type of budget hearing is impossible. I have the budgets from March 1 to April 15, during which time I must continue to perform my many other duties.

Section 70 of the Charter requires that reasons be given for proposed increases. In some cases not only are the reasons missing but the items themselves are only vaguely described. The same section of the Charter requires that proposed

work programs and itemized estimates shall be included in or accompany the budget estimates. This information is also missing in some instances.

In order that the public should not suffer because of inadequate budget preparation on the departmental level, my budget staff undertook to obtain additional information upon which I could base my decisions. Since this staff is small and is also charged with carrying on many routine duties and faced with the necessity of making the review of the properly prepared budgets, it was not possible for them to completely overcome this deficiency. These departments, however, did not take full advantage of the time which my staff made available.

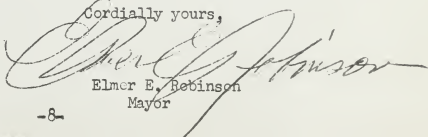
In this communication to you I have been candid and critical on certain subjects. Recently some incomplete information was presented to the public. Those who gather the news are in no way responsible for this. If my comments are construed as constructive criticism, then the budgetary practices are advanced. Insofar as additional information is made available to the public, then the public can better protect its interest. If on the other hand, my remarks are interpreted and exploited so as to create resentment, then the community will suffer.

I am hopeful that through the budget presented herewith and in this budget message I have made it crystal clear that I am opposed to burdening our taxpayers by permitting departments to build up surpluses and reserves or appropriations which they do not use in the fiscal year for which they are requested.

Attached to this message are comments on specific items in the budget and exhibits related thereto.

With all good wishes, I remain

Cordially yours,



Elmer E. Robinson
Mayor

Capital Improvements and Bond Issues

It is my intention to provide for the financing of necessary improvements requested this year in the budget and scheduled in the Capital Improvement Program for the succeeding 5 years. The financing of all or any substantial portion of additional projects would result in too great a financial burden to be paid from the ordinary revenue or income of the years as indicated in the budget and Capital Improvement Program, and would unquestionably result in an excessive tax burden.

For this reason I have written to departments and asked them to submit and discuss with me a schedule of improvement projects in priority order for your decision. My communications on this subject are attached to this message.
(Exhibits A, B, C, and D)

Section 72 of the Charter provides that you may restore any capital improvement item I have deleted from the budget or add any project which you deem necessary in the event that the department did not initiate the request in the departmental budget estimates.

The Public Utilities Commission has submitted proposed bond issues which I recommend for your consideration for inclusion on the November ballot.

The proposed bond program for the Municipal Railway totals \$6,620,000. This amount is to provide \$3,871,000 for replacement and \$2,749,000 for conversions. The major items under replacements are the purchase of 15 P.C.C. cars, 188 motor coaches, re-routing the "M" line to Park Merced, and track removal on the "F" line (4th-Stockton-Chestnut), and track removal on San Jose Avenue. Major extensions and conversions to trolley coaches are for the #8 line-Castro Street, "B" line-Geary Street, and "J" line-Church Street. Fifty new trolley coaches are included.
(Exhibit E)

The Bureau of Light, Heat, and Power proposes a program in the amount of \$2,716,000 to modernize many major street lighting systems. Modernized installations should result in a reduction of the vehicle accident rate and effect a substantial saving in operating and maintenance costs. (Exhibit F)

Also recommended for your consideration for inclusion on the November ballot is a proposed bond issue for the Public Library in the amount of \$1,894,950 for expansion of library facilities. This program calls for construction of 13 branch libraries to replace rented quarters and to construct branches in districts where no library service is currently available. Districts included in this program are Outer Sunset, Park Merced-Stonestown, Diamond Heights, Park-Prosidio, Ingleside, Excelsior, Bayview, Portola, Pacific Heights, Buena Vista, Eureka, and Outer Mission. Attached is a copy of the program submitted by the Library Commission. (Exhibit G)

The Recreation and Park Commission has discussed a proposed bond program with me. A revised program is now being prepared and will be forwarded as soon as it is received in my office.

As of this date, no reply has been received from the Chief Administrative Officer for departments under his jurisdiction.

While no detail has been submitted to me, it is recommended that you give consideration to bond issues for a municipal office building with convention and parking facilities, and rehabilitation of and an annex to the Hall of Justice to provide muchly needed space for the District Attorney, Police Department, and Public Defender. Such detail as I receive relative to these improvements will be forwarded promptly to your honorable Board.

It is suggested further that you review the Capital Improvement Program so that you may place before the voters such bond issues as you consider necessary.

Building Repairs

I have always believed that building maintenance and repairs are like taxes in that non-payment for these items adds a penalty to cost in the next or succeeding years. Repairs, reconstruction and replacement items are too frequently deferred. In many cases these decisions are made to keep down the tax burden. In my opinion the best way to limit this burden is to refuse to expand or add services if existing essential services will not be adequately financed.

Information furnished on building repair items in the estimated budgets was in some cases very meager. Realizing this inadequacy, I requested through Mr. Brooks that the Department of Public Works review building repair requests. The Department of Public Works classified the requests as either "A", for "top urgency," "B" of "less urgency;" and "C", of "varying desirability." Their report was used as a guide in my review of the maintenance and repair requests.

Inasmuch as the maintenance and repair requests of the San Francisco Hospital and the Laguna Honda Home have been subject to so many conflicting views, I will summarize here my actions with regard to them.

Requests for these 2 institutions totalled \$488,150 with insufficient explanation or detail set forth as to why the items were urgent or what made up the costs of these projects. The total amount required for items designated as urgent by the department is \$438,450.

Against requested funds of \$488,150, I allowed in the budget \$166,500. Other immediately available funds will add at least \$222,000 to this budget

allowance, making a total of \$388,150, available for repairs to the San Francisco Hospital and to the Laguna Honda Home. The department requested \$100,000 for exterior painting window sills at San Francisco Hospital. I approved this item, but have budgeted the funds on a 4 year program.

Therefore, if the funds now available are added to the funds I approved in the budget, it is apparent that I have provided more funds than are necessary to meet the items designated as urgent by the departments.

It should be made clear that the Department of Public Health has had \$55,000 available for several years which could have been used to improve Laguna Honda Home or San Francisco Hospital. On March 25, 1953, I wrote to the Chief Administrative Officer, who is responsible for the administration of the Health Department, suggesting that he request the reappropriation of the unexpended balance of funds in the appropriation for the improvement of 150 Otis Street for the Traffic Department of the Municipal Court which project is to be abandoned. A copy of this communication is attached hereto. (Exhibit H) The unexpended balance in the appropriation for improvement of 150 Otis Street will be between \$167,000 and \$198,000. My action makes it possible to correct the reported serious repair items at San Francisco Hospital and Laguna Honda Home without waiting for funds to become available in the next fiscal year starting July 1st.

Slum Clearance

Because a complete program was not before me, I deleted certain employments budgeted by the Department of Public Works and the Department of Public Health which were to be established for the slum clearance program. It is apparent that the program requires additional appropriations for the Department of Public Works, the

1. The first part of the paper

is devoted to

the study of the properties of the

operator T defined by the formula

$$Tf(x) = \int_0^x f(t) dt$$

for $f \in L^p(\mathbb{R})$, $1 < p < \infty$.

2. In the second part

we consider the problem of the

existence of solutions of the

boundary value problem for the

operator T .

3. The third part of the paper

is devoted to the study of the

operator T for $f \in L^p(\mathbb{R})$, $1 < p < \infty$.

4. In the fourth part

we consider the problem of the

existence of solutions of the

boundary value problem for the

operator T .

5. The fifth part of the paper

is devoted to the study of the

operator T for $f \in L^p(\mathbb{R})$, $1 < p < \infty$.

6. In the sixth part

we consider the problem of the

existence of solutions of the

boundary value problem for the

operator T .

Department of Public Health and the Fire Department. In view of the fact that the budget of the Fire Department contained no appropriation for the slum clearance program, I deleted the requests contained in the budgets of the Department of Public Works and the Department of Public Health.

In view of the fact that two of the three departments are under the jurisdiction of Mr. Thomas A. Brooks, Chief Administrative Officer, I have requested Mr. Brooks to confer with Chief Kelly of the Fire Department, whom I understand has jurisdiction over such matters, so that a coordinated program may be gotten under way without further delay.

I have attached hereto a copy of my letter to Mr. Thomas A. Brooks on this subject. (Exhibit I)

Psychiatric Treatment Ward - San Francisco Hospital

In keeping with a declaration of policy by the voters a Psychiatric Treatment Ward has been established at San Francisco Hospital. This ward is currently staffed by 55 employees. Appropriations for the coming fiscal year for these employments will amount to approximately \$200,000.

A substantial increase in the number of employments was requested in these budget estimates. As you know, the program is a responsibility of the State. Because I am informed that the State of California has declared its intention to provide for short term mental therapy in urban areas these additional employments were deleted.

Use of City-Owned Passenger Cars

The review of the use of city-owned passenger vehicles was continued in the

departmental budget hearings. As a result I was able to make reductions in the passenger car fleet of the Police Department, 5 cars; Fire Department, 10 cars; and the San Francisco Water Department, 6 cars, or a total of 21 passenger vehicles.

My efforts on this subject will continue.

March 24, 1953

The Honorable
The Public Utilities Commission
287 City Hall
San Francisco 2, California

Gentlemen:

This is to inform you that it is my intention to provide for financing of the necessary improvement projects contained in the budget requests for the ensuing fiscal year as well as the necessary improvement projects contained in the Capital Improvement Program for the succeeding 5 years.

In most instances the financing of all of such projects or any substantial portion thereof from current funds would result in too great a financial burden to be paid from the ordinary revenue or income of the years as indicated in the budget and Capital Improvement Program and would unquestionably result in an excessive tax burden upon the community.

It is therefore my further intention to propose to the Board of Supervisors in my budget message that they submit to the voters bond issues for the financing of such projects as are necessary and the costs of which are too large to be financed from current revenue.

In order to facilitate this program, and so that I may be fully informed, will you please promptly submit to me, for the departments under your jurisdiction, a schedule enumerating the improvement projects contained in their budget requests and in the Capital Improvement Program in priority order, and further to arrange to discuss the matter with me prior to the 6th day of April.

Your cooperation in this matter will be appreciated.

With all good wishes, I remain

Cordially yours,

Elmer E. Robinson
Mayor

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March 24, 1953

The Honorable
The Library Commission
Civic Center
San Francisco 2, California

Dear Members:

This is to inform you that it is my intention to provide for financing of the necessary improvement projects contained in the budget requests for the ensuing fiscal year as well as the necessary improvement projects contained in the Capital Improvement Program for the succeeding 5 years.

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Your cooperation in this matter will be appreciated.

With all good wishes, I remain

Cordially yours,

Elmer E. Robinson
Mayor

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March 24, 1953

The Honorable
The Recreation and Park Commission
McLaren Lodge, Golden Gate Park
San Francisco 17, California

Dear Members:

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With all good wishes, I remain

Cordially yours,

Elmer E. Robinson
Mayor

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March 24, 1953

Mr. Thomas A. Brooks
Chief Administrative Officer
289 City Hall
San Francisco 2, California

Dear Mr. Brooks:

This is to inform you that it is my intention to provide for financing of the necessary improvement projects contained in the budget requests for the ensuing fiscal year as well as the necessary improvement projects contained in the Capital Improvement Program for the succeeding 5 years.

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Cordially yours,

Elmer E. Robinson
Mayor

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EXHIBIT E

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC UTILITIES COMMISSION

April 3, 1953

Hetch Hetchy Water Supply

Subject Municipal Railway
 Capital Improvement
 Program Financing

Mr. J. H. Turner
Manager of Utilities
City Hall
San Francisco, California

Dear Sir:

This is in answer to the Mayor's letter of March 24, 1953, to the Public Utilities Commission, requesting a schedule enumerating the improvement projects contained in the Municipal Railway Budget for 1953-54 and in the Capital Improvement Program for the succeeding five years.

No provisions have been made in the Municipal Railway Budget for 1953-54 for any improvement projects.

The capital improvement program for the succeeding five years 1954-59 is to be financed by two proposed bond issues which are to be submitted to the voters in November 1953. These bond issues are divided into two categories, one titled "Replacements" and one "Conversions". The projects which are to be financed by these bond issues are tabulated below:

REPLACEMENTS

<u>Cable Car System</u>		
New grips for cars	\$5,000	
Rebuild California St. Cable cars	50,000	
Rehabilitate California-Hyde Car House	20,000	
	<u>75,000</u>	\$ 75,000
<u>Street Railway System</u>		
Purchase 15 PCC cars	610,000	
Re-route "M" Line to Park Merced	100,000	
Reconstruct "N" Line on Carl Street	58,000	
	<u>768,000</u>	768,000
<u>Motor Coaches</u>		
Purchase 108 -50-Passenger motor coaches		2,383,000
<u>New Fare Boxes</u>		
		243,000
<u>Radio Cars</u>		
		24,000
<u>Track Removal</u>		
"F" Line (4th-Stockton-Chestnut)	270,000	
"K" Line (San Jose to Mission)	38,000	
San Jose Avenue	70,000	
	<u>378,000</u>	378,000
Total		<u>\$3,871,000</u>

Mr. J.H. Turner
4-3-53
Page 2

CONVERSIONS

Trolley Coach Extensions and Conversions

No. 8 Line - Castro Street	\$ 160,000	
"B" Line - Geary Street	395,000	
"J" Line - Church Street	202,000	
	<u>757,000</u>	\$ 757,000

New Trolley Coaches

Purchase of 75 - 50-Passenger Trolley Coaches	1,650,000
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New Substation

Castro Street and 24th Street	152,000
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Feeder Connections to Substations

Geary and Presidio	25,000	
Church Street	40,000	
Castro Street and 24th Street	30,000	
	<u>95,000</u>	95,000

General Shops

Extension to Kirkland Yard	50,000	
Improvement at Elkton Shop	45,000	
	<u>95,000</u>	95,000

Total	<u>\$2,749,000</u>
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Very truly yours,

(Signed) H. E. Lloyd

H. E. LLOYD
Manager and Chief Engineer

CITY AND COUNTY OF SAN FRANCISCO

PUBLIC UTILITIES COMMISSION

April 2, 1953

Bureau of Light, Heat
and PowerBond Issue Financing-Capital Outlay
Subject: Schedules for Street Lighting ConstructionMr. J. H. TURNER:
Manager of Utilities
City Hall

Replying to the Mayor's request to the Public Utilities Commission by letter of March 24, we are submitting below two schedules enumerating in priority order our proposed street lighting development projects.

Schedule 1: Projects contained in budget requests for the fiscal year 1953-4;

No.	Project	Estimated Cost
1	3rd Street, Channel to Alameda	\$ 6,000*
2	Clay Street, Scott to Arguello	44,000
3	24th Street, South Van Ness to San Bruno	44,800
4	Folsom Street, 10th St. to 16th St.	22,500
5	Precita Avenue, Folsom to Army	20,000
6	Bay Shore Blvd., Army to Augusta	20,000
7	Sloat Blvd., Junipero Serra Blvd. to Gt. Hwy.	38,000
8	Junipero Serra Blvd., Sloat Blvd. to Co. Line	32,500
9	Pt. Lobos Avenue, 48th Ave. to Gt. Hwy.	20,500
10	19th Avenue, Sloat Blvd. to Junipero Serra Blvd.	30,000
11	Portola Drive, St. Francis Circle to Claremont	40,000
12	Portola Drive, Claremont to Evelyn	35,600
13	Castro St., Duboce to Market	25,500
14	McCoppin St., Otis to Duboce	25,000
15	California Street, Market to Van Ness	85,000
16	Fulton Street, Arguello to Great Highway	75,000
17	West Portal Avenue, Ulloa to Sloat Blvd.	35,000
18	Castro Street, Duboce to Divisadero	3,000
19	San Jose Avenue, Randall to Diamond	15,000
Total (Schedule 1)		\$617,400

*Additional due to increased construction cost.

Schedule 2: Projects in the Capital Improvement Program for the succeeding five (5) fiscal years, 1954-5 through 1958-9:

20	Bay Shore Blvd., Augusta to 3rd Street	15,000
21	Pine Street, Market to Van Ness	74,000
22	Gough Street, Market to McAllister	34,400

No.	Project	Estimated Cost
23	California Street, Fillmore to Presidio	\$ 42,200
24	Great Highway, Pt. Lobos to Sloat Blvd.	48,500
25	Market St., Valencia to Castro	25,600
26	Oak Street, Van Ness to Stanyan	102,000
27	Triangle District	235,000
28	Market Street Path-of-Gold	250,000
29	Bay Street, Columbus Ave. to The Embarcadero	38,400
30	Mission Street, South Van Ness to 16th St.	18,900
31	Pt. Lobos, 41st Ave. to 48th Ave.	17,800
32	South Van Ness Ave., 14th St. to Army St.	75,000
33	Marina Blvd., Lyon to Laguna	52,800
34	Army St., Potrero Avenue to 3rd St.	41,000
35	Laguna Honda Blvd., Merced Ave. to Portola Dr.	20,600
36	Masonic Ave., Anza to Oak	28,300
37	7th Avenue, Lincoln Way to Lawton St.	18,800
38	Mission Street, Army to Silver	53,800
39	Mission Street, Geneva to County Line	50,500
40	Ocean Avenue, Mission to Junipero Serra Blvd.	69,400
41	San Jose Avenue, Ocean to Sickles	58,700
42	Monterey Blvd., San Jose Ave. to Ridgewood	34,700
43	Golden Gate Park, Main Drive to Panhandle	120,000
44	Steuart, Spear & Main Sts., Market to The Embarcadero	48,500
45	Potrero Avenue, 10th St., to Army St.	34,800
46	Holloway Avenue, 19th Avenue to Tapia	5,100
47	Gilligan Dr., Dublin to Hahn	18,300
48	Brannan St., The Embarcadero to Division St.	47,300
49	Turk St., Divisadero to Arguello	48,500
50	Pacific Avenue, The Embarcadero to Van Ness Ave.	66,000
51	Oakdale Ave., Bay Shore Blvd. to 3rd St.	37,200
52	Powell St., Broadway to Columbus Avenue	10,800
53	Eureka St., 17th St. to 23rd St.	31,800
54	Wawona St., 19th Ave. to 28th Ave.	13,600
55	Corbett Avenue, Clayton to Portola Dr.	21,100
56	Lake Merced Blvd. (Encircling Lake Merced)	134,800
57	Russ Street, Howard to Folsom	3,500
58	Stanley Drive, Lake Merced Blvd. to Alcomany Blvd.	52,800
Total (Schedule 2)		<u>\$2,099,500</u>
Grand Total (Schedules 1 and 2)		<u>\$2,716,900</u>

The Mayor's proposal to finance the construction cost of various city projects with bond money as against current funds is, we believe, a step in the right direction, as it would be more favorable for our proposed five-year street lighting construction program. Since more construction funds would be made available at an earlier date through a bond issue, we could, in

Mr. J. H. Turner

4-2-53

the near future, modernize many of our major street lighting systems to provide more adequate and efficient lighting.

Many of our heavily-traveled thoroughfares are poorly lighted, which often contributes directly or indirectly to the over-increasing number of traffic accidents. To make the streets safer for vehicular and pedestrian travel, and to help keep accidents at a minimum, modern and up-to-date lighting is necessary. Efficient, modernized installations not only reduce the high accident rate, but, as in some of our recent jobs, effect a substantial saving in operation and maintenance costs.

Very truly yours,

(Signed) B.A. Devine

B.A. DEVINE
Manager and Chief Engineer

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April 13, 1953

Honorable Elmer E. Robinson
Mayor of San Francisco
200 City Hall
San Francisco 2, California

Dear Mayor Robinson:

The Library Commission at its meeting held April 7, 1953, unanimously adopted a resolution requesting that you as Mayor of the City and County of San Francisco recommend to the Board of Supervisors the placing of a Bond Issue in the amount of \$1,894,950 before the electorate at the November election for the extension of library facilities throughout the City and County of San Francisco. The resolution adopted by the Library Commission is as follows:

"Resolved That the Library Commission request His Honor Mayor Elmer E. Robinson to recommend to the Honorable Board of Supervisors that a Library Department bond issue in the amount of \$1,894,950, for the expansion of library facilities in the City and County of San Francisco, be submitted to the electorate at the November election."

The extension program calls for the construction of 13 branch libraries for various districts; the replacement of those now in rented quarters with permanent buildings and the construction of branch libraries which are now without service. The districts without service would include the Outer Sunset, Park-Merced-Stonestown, Diamond Heights and Park-Presidio areas, and the replacement of branches in the Ingleside, Excelsior, Bayview, Portola, Visitacion Valley, Pacific Heights, Buena Vista, Eureka Valley, and Outer Mission Districts.

The program calls likewise for the establishment of a Bookmobile service which would serve those areas which are without service and not within the sphere of influence of any of the proposed library buildings and are areas which at the present time have not reached the stages of development which would warrant the establishment of a permanent library service.

In addition, the Commission has included funds for improvements in the Main Library Building to more adequately and properly house the Library Department's rapidly growing collections and to make them more easily available to the public. The request for these improvements has eliminated the necessity of requesting, as was done in 1948, the construction of a wing on the Main Library which would have amounted to approximately \$1,200,000.

We are attaching herewith a list of the projects to be included in the Bond Issue, together with the amounts required for each capital outlay item.

April 13, 1953

The Library Commission has made a very careful analysis of the present library services and the needs for expansion in the future. To that end, they requested the City Planning Commission to undertake a survey last November of the present branch system and proposed extensions. The City Planning Commission has released on April 2, 1953, its report, which is the basis of the proposed library Bond Issue proposal. A copy of the City Planning Commission's report is attached herewith.

We know that you are cognizant of the need for library extensions which would provide libraries for districts now without library service, as well as for districts now receiving inadequate service.

The Library Commission earnestly hopes for your approval of their projected program, and should you desire further information, the Commission stands ready to meet at your call to discuss this matter further.

Respectfully yours,

/s/ SAM M. MARKOWITZ

Sam M. Markowitz
President
Library Commission

SMM:mm
Encs. (2)

SAN FRANCISCO PUBLIC LIBRARY
PROPOSED CAPITAL IMPROVEMENT PROGRAM

<u>PROJECT</u>	<u>STUDIES- PLANS</u>	<u>LAND</u>	<u>CONSTRUCTION</u>	<u>OTHER EXPEND.</u>	<u>TOTAL</u>
Alterations to Main	5,000		170,000		175,000
Outer Sunset	10,000	12,000	130,000	6,500	158,500
Pk. Merced-Stonestown	10,000		140,000	10,000	160,000
Ingleside	7,000	20,000	100,000	5,000	132,000
Excelsior	10,000	20,000	140,000	7,000	177,000
Bayview	7,000	6,000	100,000	5,000	118,000
Portola	4,550	6,000	65,000	3,000	78,550
Visitation Valley	4,550	6,000	65,000	3,000	78,550
Diamond Heights	5,600	6,000	80,000	4,000	95,600
Pacific Heights	10,000	20,000	140,000	6,500	176,500
Geary (Park-Presidio)	10,500	20,000	145,000	7,250	182,750
Buena Vista	7,000	20,000	100,000	5,000	132,000
Eureka Valley	7,000	20,000	100,000	5,000	132,000
Outer Mission	4,550	6,000	65,000	3,000	<u>78,500</u>
					\$1,874,950
Bookmobile					<u>20,000</u>
					\$1,894,950

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March 25, 1953

Honorable Thomas A. Brooks
Chief Administrative Officer
289 City Hall
San Francisco 2, California

Dear Mr. Brooks:

I have discussed the space requirements of the Municipal Court for the Traffic Department with Judge Alvin E. Weinberger, Presiding Judge, and Mr. Ivan L. Slavich, Clerk of the Municipal Court. It has been agreed that because adequate space will become available in the City Hall when it becomes a courts building, the proposed improvement of the building at 150 Otis Street for the Traffic Department is unnecessary and should be abandoned. Conversion of the City Hall to use as a courts building is contingent upon construction of a municipal office building. It is contemplated that you will initiate a bond issue to provide for a municipal office building.

It would be appreciated if you would give consideration to the immediate provision for the additional space required by the Municipal Courts. This might be accomplished by transferring the Registrar and Recorder's Offices to some other temporary location.

I understand that \$198,000 remains in the appropriation for the improvement of Otis Street for the Traffic Courts. It is my suggestion that you request that this balance which will now be unnecessary be reappropriated to the maintenance and repair or improvement of either San Francisco Hospital or Laguna Honda Home.

With all good wishes, I remain

Cordially yours,

Elmer E. Robinson
Mayor

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April 10, 1953

Honorable Thomas A. Brooks
Chief Administrative Officer
289 City Hall
San Francisco 2, California

Dear Mr. Brooks:

As you know, because a complete program was not before me, I deleted certain employments budgeted by the Department of Public Works and the Department of Public Health which were to be established for the slum clearance program. It is apparent that the program requires additional appropriations for the Department of Public Works, the Department of Public Health and the Fire Department. In view of the fact that the budget of the Fire Department contained no appropriation for the slum clearance program, I deleted the requests contained in the budgets of the Department of Public Works and the Department of Public Health.

Since two of the three departments involved in the slum clearance program are under your jurisdiction, will you please confer with Chief Kelly of the Fire Department, whom I understand has jurisdiction over such matters, so that a coordinated program may be gotten under way at an early date. Your cooperation in this matter will be greatly appreciated.

With all good wishes, I remain

Cordially yours,

Elmer E. Robinson
Mayor

April 15, 1972

Budget Message

The Honorable
Board of Supervisors
Room 235, City Hall
San Francisco, California 94102

Ladies and Gentlemen:

Despite the most severe cuts in any city budget since the Depression, including my refusal to approve \$82 million in sound departmental requests and the elimination of 108 jobs, my office has sent to the Board of Supervisors a proposed budget which is 1% or \$6.2 million higher than last year. Last year's budget was \$559,691,008, and this year's is \$565,952,367.

Welfare alone is up \$15 million and law enforcement agencies are up \$3 million, but the total increase is \$6.2 million. These figures on their face disclose the severity with which this task was carried out.

It is impossible at this time to predict what effect this budget will have on the property tax rate. However, I have concluded that as a matter of basic government philosophy I shall veto any ordinance sent by the Board of Supervisors which establishes a property tax rate higher than the present level of \$12.73. I believe that a majority of the Board would agree with this view.

For too many years, the homeowner and the renter have been the suckers of last resort when it comes to paying for the cost of government.

I believe the exercise of a veto on a property tax increase will help generate the pressure necessary to force action on three different fronts to help the beleaguered property taxpayer:



---Participation by Governor and the State Legislature in programs to ensure property tax relief right now. The State has welshed for six years on its promise to give the ordinary property owner and renter effective relief.

This is because monopoly power has had an inordinate influence in both the Governor's office and the Legislature, so that it has not been possible to achieve fair tax reform.

---Increase the public demand for Federal revenue sharing.

Thanks to the efforts of an effective Mayors' lobby, we now believe that the Mills' Bill can be passed this year if an all-out effort is combined with an all-out alarm. It could mean \$20 million to San Francisco for 1972-73.

---A search for alternate sources of revenue, including the current use of reserves which are building for future uses. I do not question the sound business reasons for these reserves, but in hard circumstances, hard choices must be made.

I intend to take action I believe may help make all this possible.

With the 1972-73 budget, I am initiating a 10-point program for action aimed at establishing fiscal fairness in our city government, the key element being exercise of the veto if necessary.

These programs will require your assistance. I know you will share in the aims of this program and I am confident that the history of strong cooperation between our two offices will carry over into this important undertaking.

The only way veto action can be avoided is through an aggressive search for new revenue sources other than the homeowner and through a

diligent and resourceful search for economies in government.

This action is precipitated not only by a recognition of the absurdity and unfairness of the present tax-load distribution, but also by the harsh economic realities of this year's budgetary picture in San Francisco.

The Controller's office, projecting at this time major revenue losses due mostly to state and Federal action, estimates that the property tax rate could increase as much as \$1.25, raising the rate from \$12.73 to almost \$14.

We believe, from past experience, that certain local revenues will be higher than presently anticipated. Additionally, we are aware of several other potential sources of income probably available to us between now and September when the Controller actually sets the tax rate.

Some of these include:

---Revenue sharing, with an estimated income to San Francisco in the first year of approximately \$20 million.

---Passage of State Assembly Bill AB 1282, which would restore large amounts of Medical and welfare cuts. Projected income: between \$3 and \$5 million.

---Allocation of additional funds derived from sales tax on gasoline from the Metropolitan Transit Commission which could reach \$6 million.

---Use of funds now set aside and earmarked for capital improvement projects not already underway, including \$5.6 million in the Public Utilities Commission.

---The sale of surplus properties, for example the Hassler Hospital, could make available over \$2 million.

---A possible \$1 million increase in parking meter receipts.

---Interest income earned by earmarked funds.

---A scouring of all unspent appropriations which are accumulating for admittedly fine projects to determine whether they can be deferred safely and prudently while we fill the revenue gap.

---Justifiable price increases on all of the goods and services we sell on a proprietary basis.

---A "borrowing" of unspent funds from the Parking Authority.

---Additional increases in the property values in San Francisco, which last year gave us \$5 million in new revenues. Our city's continued vitality justifies the belief that there will be available increased assessments.

Included in my 10-point program are some specific actions recommended concerning a number of these revenue sources. The full program is discussed at length later in this correspondence.

Under the present circumstances, however, and even with these hopeful projections, it would be impossible to speculate at this time on what effect this budget could have on the current tax rate, even if we allowed the increases to be charged against the property tax.

But the bleak picture presented by the Controller makes mandatory some forceful new action by the city, particularly in light of a policy decision to hold the line at the present rate.

Rigorous budget-cutting, under the direction of my budget team headed by George Grubb, enabled us to reduce spending in 17 of our departments and to hold the increases to an absolute minimum in many other departments.

Without the requirements of Social Services-Welfare, we actually reduced the expenditures of our departments by a total of \$8.5 million, despite inflationary increases in costs.

Almost all of the \$15 million increase in the welfare budget is attributable to the rising costs of mandatory Federal and State programs.

In our program of continuing support and improvement of our police and public safety services, we approved total increases of \$3.1 million, including \$2.3 million to the Police Department and \$283,000 to the Sheriff's office.

Major cuts totaling \$6.4 million were made in the utilities. We have reduced the operational budget of the Municipal Railway by \$1.4 million, the estimated savings to be achieved through the reduction of duplicative services and a minimal readjustment of scheduling.

Additionally, we have disapproved the Public Utilities request for another \$2.5 million to be set aside for its future program of undergrounding Muni power lines.

On another item of public interest, I have approved an increase for the Public Library in the amount of \$124,881. This year's budget provided \$800,747 for books and periodicals. An increase of \$53,953 has been approved in this area in order to help meet acceptable standards for this important community resource.

Certainly, part of this year's budget increase can be directly laid at the doorstep of inflation and rising costs across the nation.

There have been significant price increases in commodities essential to our operation of city services. Important food items in the budget for our hospitals and institutions and jails have increased by as much as 10%, and the total food budget reflects an overall increase.

Construction materials required by many of our departments have greatly increased. For example, asphalt prices are up 29%; lumber and cement are up 13%; hardware climbed another 6%.

However, the most severe impact on our budget has come from State cutbacks in Medi-Cal, costing the city already about \$10 million, including \$3.1 for welfare; the reduction of the parking tax which cut revenues by \$3.8 million, and the Federal government's delay in certifying our sewer service charge, which has cost us \$5 million.

With these decreased revenues, with property owners burdened to the breaking point, with the revenue projections of the Controller's office, the necessity of moving on new, bold fronts is apparent.

We recognize fully that the cost of government cannot escape the nationwide inflationary spiral that affects wages, goods, equipment and services.

We recognize at the local level that we are bound by law to provide mandatory services, such as welfare, which cost is set at the State and Federal level.

We recognize that other jurisdictions, such as the School District and Bay Area Rapid Transit District, are outside the direct control of this office and the Board of Supervisors.

Still, we must seek out innovative approaches to reducing the cost of government, redistributing the tax burden, and exerting more control over those outside forces.

The action program I propose will, I hope, make significant strides in that direction. It will also make a total claim on all our energies in the months ahead if it is to succeed.

1. VETO PROPERTY TAX INCREASE

The present \$12.73 rate must not be breached. We must hold out to San Francisco homeowners the prospect that this most regressive of all taxes can be stabilized.

As I previously noted, I will veto any tax rate ordinance sent to me by the Board that exceed the present rate.

At the same time, it is my intention to take all necessary means to reduce expenditures by executive action. This could include under the very worst circumstances the dismissal of employees.

2. NEW BUDGET CONTROLS

We know that new budget controls must be incorporated into the annual appropriation ordinance and the administrative rules and regulations to hold the property tax rate to the present figure and to put a stop to the practice of increasing budgets by supplemental appropriations after the budget is finally adopted.

City departments, like any homeowner and renter, must learn to live within their means.

Further, we must have the authority to decrease during the year amounts appropriated if we can determine that the work loads or other requirements of a department are less than those projected in the budget.

Supplemental appropriations during the fiscal year must be limited and should not be approved unless they are of a mandatory or an emergency nature, revenue producing, essential to public safety, vital to health and welfare, or deferring an item which will result in increased costs or for similar necessities which could not have been anticipated in the budget.

I will send to the Board a special message asking that consideration be given to establishing a program of new allotment control for expenditures. Under this program, funds would be released to departments as required over the course of the year, creating closer controls on spending.

I am directing George Grubb to meet with Mr. Harvey Rose and Mr. Nat Cooper, the Controller, to recommend and draft such legal provisions as would be required to implement these changes.

They will be presented for consideration by your Honorable Board at the earliest possible date.

3. LEGISLATIVE LOBBY/OTHER ACTION ON REVENUE SHARING

Aggressive lobbying by the United States Conference of Mayors' Legislative Action Committee has finally brought a revenue sharing proposal through the Congress to a point where it could be approved this year, in time to affect our tax situation.

The Mills' bill, which could provide about \$20 million to San Francisco, is expected to be reported out of Committee this week with a "do-pass" to the floor of the House of Representatives.

Every effort must be exerted to secure favorable passage by the House and then to push it through the Senate.

This money is specifically earmarked for public safety, transportation and water pollution projects. It can, however, make a significant impact on our overall revenue requirements and tax structure.

I am asking the Board to consider amending appropriation ordinances where possible to make expenditures contingent on passage of this bill.

4. PROGRAM FREEZE

I shall recommend to the Finance Committee of the Board of Supervisors that it review previous and current capital and specific projects to the end of reshaping our expenditure priorities.

A priority system is a dynamic not static judgment. In light of our current fiscal needs we should rescind, modify or defer already approved appropriation measures until new revenues are found and fiscal relief is given at the state and Federal level.

This review by the Board of Supervisors should take place immediately following the passage of our new budget so as to be completed before the new tax rate is set in September.

In the days ahead I shall request the Controller to provide a status report on all capital and equipment items. In addition, I shall request all Commissions and Department heads to report on the same projects with their analysis of what priorities should be set.

5. DISPOSAL OF SURPLUS PROPERTY

Immediate action should be taken to dispose of all surplus properties, such as Hassler Hospital, which could be put on the market for sale in the next few months.

I am asking Chief Administrative Officer Thomas Mellon to instruct the Director of Property to immediately survey these properties to determine their availability for sale.

6. RELEASE PUBLIC UTILITY/PUBLIC WORKS FUNDS

There is a \$5.6 million appropriation in PUC, which commendably and intelligently is accumulating to a sum of \$10 million for matching purposes to secure a \$20 million Federal grant for undergrounding and improving our transit facilities.

This objective is excellent; but there is reason to believe that the City's share of \$10 million can be secured from developing sources, since the claims of mass transit versus the automobile are now received in a more favorable climate.

I have already deleted from the budget this year's incremental request of \$2.5 million for this program.

Now, I am requesting the Public Utilities Commission to set into motion alternative ways of financing this project. The necessity to provide property tax relief now justifies this tough choice.

Similarly, I am asking the Department of Public Works to examine all gas tax and sewer repair programs and request the Controller and Chief Administrative Officer to evaluate off-street parking and city bond

funds. We must explore the availability of unencumbered funds from all quarters.

An additional \$5 million is expected to be available from business taxes, according to the Tax Collector.

The rescinding, modification and deferment of capital projects can make available for the new budget a substantial portion of these revenues.

7. JOB FREEZE

I intend to continue the job freeze in city government beyond the end of this fiscal year.

Job openings available through resignations, retirement or other departure will not be filled except where extraordinary requirements dictate the need. We are presently holding in my office a total of 372 job requisitions.

8. PARKING METER REVENUES

I am recommending to the Board of Supervisors that it take the necessary action to increase parking meter rates.

Additionally, I request that the Board amend existing ordinances governing parking meter revenues so that a reasonable share of the increase be directed into the general fund.

9. LOBBY SUPPORT FOR WELFARE REFORM BILL/TRANSIT FUNDS

Vigorous support must be directed for AB-1282, introduced by Assemblyman Dixon Arnett, as an amendment to the Medi-Cal Reform Act of October 1, 1971 (AB-949).

That Act has pushed the costs of patient care at Laguna Honda and Hassler Hospitals onto the County to the tune of an additional \$5 million dollars. Successful passage will restore all or most of this unexpected burden.

Concerted effort must also be made now by the Board of Supervisors and the Mayor and their representatives on the regional Metropolitan Transit Commission to fight for an allocation formula--in time for the tax rate to be set--which grants all of the estimated \$6 million annually from the 1/4¢ increase in sales tax on gasoline to the San Francisco Municipal Railway.

10. CASH RESERVES

The Controller keeps a cash reserve fund which is augmented each year from property tax sources. This year the amount in reserve is \$25 million. This fund is used to cover the time gap between the due date of payments and the time when tax revenues are received.

In a separate communication, I intend to ask the Board of Supervisors to consider whether, with the Controller's concurrence, \$5 million might well be spared this year without endangering the object for which this fund is accumulated. In the alternative, the Board might advance the date when some taxes are paid or accelerate programs to collect accounts receivable sooner.

* * * * *

I respectfully submit that the above program can serve as a catalyst to a meaningful re-ordering of our city priorities, more efficient use of available funds, and the restructuring of our tax load with decreasing dependence on the property tax.

Enactment will require difficult decisions for all of us. They will be decisions that will not always be popular, decisions that take us down new and often uncharted paths of city government management.

We must take these steps, however, if we are to rectify the great unfair burden suffered by the homeowner and renter.

For too long, he has been taxed without relief to meet demands for

better bus service, more libraries, extra policemen, new parks, modern schools, programs for the poor.

He has paid the lion's share of these costs. He has given while others have not. He has paid while others have been exempt. He is promised relief; instead, his taxes rise. With almost every new budget, he pays more but gets less.

His government at all levels says it recognizes his unhappy plight, but does little about it. Under the pressures of inflation, growing public demands for services and shrinking revenues, government still turns instinctively and comfortably to the homeowner to pay the bills.

The homeowner has been driven to the edge of despair over his tax burden.

The time has come when government must be forced to restructure its taxing system to spread the cost more fairly and forced to take stringent new measures to curb needless spending.

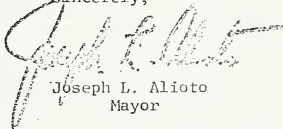
These are also steps which must be taken if San Francisco is to continue as a viable, economically sound city.

Other cities have found it necessary in the past two years to fire teachers, policemen, firemen and sanitary workers, as well as to close down parks, museums, police academies and other vital services. We have not done this in San Francisco. We hope we never have to, even though we are caught in a squeeze between a practical property tax ceiling and escalating government costs.

The times are tough and decisions must be just as tough. We measure San Francisco against two standards. One is a comparison with other big American cities. On this basis the comparison is clearly and discernibly favorable to San Francisco. She will be the first American city to turn the corner on the urban crisis.

The second standard is a norm of excellence we set for ourselves. There is so much to be done before we satisfy that requirement. In that struggle a strong and healthy economic condition is indispensable to maintaining a city that possesses clear evidence of political, artistic, social and cultural quality.

Sincerely,

A handwritten signature in dark ink, appearing to read "Joseph L. Alioto". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Joseph L. Alioto
Mayor

Encl.

1972-73 BUDGET

1971-72	Budget as approved exclusive of schools	\$559,691,008
1972-73	Budget as approved exclusive of schools and salary standardization	\$565,952,367
	Net Increase	\$ 6,261,359

DEPARTMENTAL REQUESTS

1972-73	Requests	\$648,191,763
1971-72	Budget	\$559,691,008
	Increase Requested	\$ 88,500,755
	Disapproved by Mayor	\$ 82,239,396
	Increase Approved	\$ 6,261,359

EMPLOYEE POSITIONS

	<u>Total Positions</u>
1971-72 Budget as approved	20,377
1972-73 Budget as approved	20,269
Decrease	-108
	<u>Total Positions</u>
Departmental Requests 1972-73	21,973
Total recommended by Mayor 1972-73	20,269
Decrease	-1,704

PUBLIC SAFETY

	<u>Increase Requested</u>		<u>Increase Granted</u>	
	<u>Positions</u>	<u>Expenditures</u>	<u>Positions</u>	<u>Expenditures</u>
Police	342	\$10,035,763	4	\$2,306,702
Sheriff	66	1,338,755	1	283,210
District Attorney	28	607,592	3	74,573
Public Defender	43	471,107	1	34,040
Adult Probation	31	453,860	6	63,115
Municipal Court		317,011		227,322
Superior Court		191,106		130,487
Juvenile Court	<u>50</u>	<u>1,090,850</u>	<u>2</u>	<u>61,747</u>
	560	\$14,506,044	17	\$3,181,196

WELFARE

	<u>1971-72 Budget</u>	<u>1972-73 Request</u>	<u>1972-73 Budget Approved</u>	<u>Change</u>
All Depts.	\$559,691,008	\$648,191,763	\$565,952,367	+\$ 6,261,359
Welfare	\$121,065,237	\$154,576,494	\$135,973,758	+\$14,908,521

The budget which I am submitting, exclusive of Social Services and Salary Standardization, totals \$430,041,148. This is a cut of \$63,574,121 from departmental requests and a net decrease of \$8,584,623 below last year's budget.

PUBLIC UTILITIES, AIRPORT AND HARBOR

	<u>1971-72 Budget</u>	<u>1972-73 Request</u>	<u>1972-73 Budget Approved</u>	<u>Change</u>
Total	\$124,797,959	\$134,094,319	\$118,339,980	-\$6,457,979
S.F. Airport	\$19,384,068	\$20,888,559	\$18,575,609	-\$ 808,459
Mun. Ry.	\$47,878,533	\$53,721,616	\$48,762,736	+\$ 884,203
Water Dept.	\$21,517,461	\$22,963,931	\$19,722,580	-\$1,794,881
Hetch Hetchy	\$20,679,492	\$21,354,915	\$16,833,104	-\$3,846,388
Harbor	\$14,628,516	\$14,439,244	\$13,726,302	-\$ 902,214

OFFICE OF THE MAYOR

San Francisco

April 13, 1973

2-22-73
APR 16 1973
Budget Message

The Honorable
 Board of Supervisors
 Room 235, City Hall
 San Francisco, California 94102

Ladies and Gentlemen:

I am submitting to your Honorable Board today the proposed budget for the City and County of San Francisco for fiscal year 1973-74, excluding only the independent schools budget, which is sent directly by the Board of Education.

This is a people-oriented, better-services budget with major funding increases for three of our most important public services--- the Municipal Railway, the Police and Fire Departments, and other public safety agencies, and the city's Public Health System.

At the same time, our revenue picture is sound, our City's economy is healthy. I am confident we can fund these improvements and meet this budget while still achieving a major decrease in the property tax rate.

This budget is geared to reducing the tax rate from \$12.59 per \$100 assessed valuation to \$12.25 per \$100 assessed valuation, and I believe this is a realistic goal.

This budget carries a \$72 million gross increase in funding, which is an investment in the future of our City.

We are undertaking major capital improvements, including full-scale upgrading of the Municipal Railway.

We are adding more police to the streets to continue our crack-down on crime. We are providing new emergency health services for our people, better parks, libraries, increased street cleaning, new services for our senior citizens.

While providing new and improved services in this budget, we have maintained a sense of tough cost-consciousness and fiscal responsibility.

We have instituted new labor-saving devices to effect future economies and improve efficiency.

We have refused to fund over \$52 million in departmental requests

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BY

and disapproved requests for 1,775 new employee positions.

Not all of these budget increases were within our control. Some of the increase was forced on the City through rising costs of goods and services caused by the unbroken inflationary spiral.

Other cost increases are reflected in mandatory rises in employee wage and fringe benefits.

But we can approach the funding of this budget and a reduction in the property tax rate with confidence.

Many increases, particularly in public utilities, are self-supporting through revenue production. We have revenue sharing funds for a number of programs, increased surpluses and service charges.

We can anticipate significant additional revenues from new construction and related assessments. Major programs in many cases are underwritten with Federal and State funding.

While the Social Services budget shows a mandatory gross increase of \$13 million, all service and administrative costs for adult programs will be fully funded by the Federal government beginning in January of next year, resulting in no additional costs to local taxpayers.

One of our most significant accomplishments in this budget will be a thorough revamping of our Municipal Railway.

This system carries over a half-million of our citizens every day. We are determined to make it a fully dependable system--convenient, responsive to the community's needs, efficiently operated.

We have programmed \$8.6 million in additional funding, with over \$5 million earmarked for 139 new personnel. This will include 72 new operators, which should decrease the number of missed runs.

Additionally, in an effort to improve scheduling and dependable service, we are adding 22 new dispatchers, inspectors and traffic checkers.

Three new janitors and foremen and four additional maintenance men will be added to improve the cleanliness of the vehicles.

We are proposing the funding of \$213,000 public information program in addition to adding six more transit information personnel to provide improved informational services to the public.

Driver efficiency and courtesy should undergo a significant upgrading with the addition of seven new training and personnel supervisors and a new driving simulator.

At the middle management level, we are funding 18 new positions, including two new assistant managers for operations and engineering-planning. In addition, six new planners will be added to the staff, with particular responsibilities for operational planning.

An additional \$190,000 in materials and spare parts is funded to reduce the "down-time" of Muni vehicles. We have already provided another \$400,000 in this effort during the course of the past six months.

We are determined to halt the deterioration of the Muni, reduce missed runs and service gaps, upgrade the entire system. In short, we are going to make the Muni the best urban transit system in the Nation.

In the area of public safety services, we are providing \$1.6 million in additional funding for the Police Department and have approved all of Chief Scott's requests for 24 additional street patrolmen.

Last year, through the aggressive efforts of a modern, professional police department, the hard-core crime rate in San Francisco fell 19%, the highest decrease of any major city in California.

We intend to keep up the pressure on the criminal element in our city and to make the streets of San Francisco truly safe for our citizens.

Other major public safety increases include nearly \$1 million for the Fire Department and an additional \$600,000 for the Sheriff's Office.

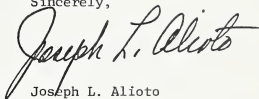
In the field of Public Health, we are funding a new emergency services system, which includes new vehicles, additional nursing staff, and improved emergency room facilities. This program is funded at slightly over \$1 million.

In summary, this budget provides for major improvements in many of our vital city services. Many of these improvements will be achieved through once-only capital expenditures.

With a healthy revenue picture, which we have every reason to expect, this budget can be funded with a corresponding reduction in the property tax rate in San Francisco.

I look forward to working closely with your honorable board in realizing this goal.

Sincerely,

A handwritten signature in dark ink, reading "Joseph L. Alioto". The signature is fluid and cursive, with the first name "Joseph" and last name "Alioto" clearly legible. The middle initial "L." is smaller and positioned between the first and last names.

Joseph L. Alioto
Mayor

1973-74 BUDGET

1972-73	Budget as approved, including estimated salary standardization, mandatory fringe benefits, estimated supplemental budget, but exclusive of schools.	\$571,373,600
1973-74	Budget as approved, including estimated salary standardization, mandatory fringe benefits, estimated supplemental budget but exclusive of schools.	\$643,684,064
	Increase	\$ 72,310,464

DEPARTMENTAL REQUESTS

1972-73	Budget	571,373,600
1973-74	Increase Requested	127,094,380
	Increase approved, including salary standardization, mandatory fringe increases--\$13,021,691.	65,810,461
	Disapproved by Mayor	61,283,919
	Estimated supplemental budget	6,500,000
1973-74	Total	\$643,684,064

EMPLOYEE POSITIONS

	<u>Total Positions</u>	
1972-73	Budget as approved	20,236
1973-74	Budget as approved	20,718
	Increase	+482
	<u>Total Positions</u>	
	Departmental Requests 1973-74	22,493
	Total recommended by Mayor 1972-73	20,718
	Deleted	-1775

MAJOR DEPARTMENTAL BUDGET INCREASES

SOCIAL SERVICES

	<u>1972-73 Budget</u>	<u>1972-73 Request</u>	<u>1973-74 Budget Approved</u>	<u>Change</u>
Social Services	\$135,184,420	\$156,935,689	\$148,148,892	\$12,964,472

PUBLIC UTILITIES, AIRPORT AND HARBOR

	<u>1972-73 Budget</u>	<u>1973-74 Request</u>	<u>1973-74 Budget Approved</u>	<u>Change</u>
S.F. Airport	\$ 18,783,064	\$ 31,225,039	\$ 28,919,276	\$ 10,136,212
Muni Railway	48,926,596	61,231,077	57,541,462	8,614,866
Water Dept.	21,478,547	25,400,092	23,201,001	1,722,454
Hetch Hetchy	17,085,198	21,894,266	21,318,370	4,233,172
Harbor	<u>13,977,769</u>	<u>16,090,623</u>	<u>15,201,395</u>	<u>1,223,626</u>
TOTAL	\$120,251,174	\$155,841,097	\$146,181,504	\$ 25,930,330

PUBLIC SAFETY

	<u>1972-73 Budget</u>	<u>1973-74 Request</u>	<u>1973-74 Budget Approved</u>	<u>Change</u>
Police	\$ 48,736,217	\$ 54,921,153	\$ 50,386,960	\$ 1,650,743
Sheriff	4,317,819	8,628,736	4,917,917	600,098
Fire	40,111,509	42,534,647	41,067,670	956,161
District Attorney	1,818,917	2,647,261	2,079,715	260,798
Public Defender	892,374	1,072,082	1,013,217	120,843
Adult Probation	1,447,473	3,556,945	1,897,525	450,052
Municipal Court	3,540,910	3,906,215	3,803,715	262,805
Superior Court	2,252,853	2,402,487	2,319,603	66,750
Juvenile Court	<u>5,787,387</u>	<u>7,223,995</u>	<u>5,939,830</u>	<u>152,443</u>
TOTAL	\$108,905,459	\$126,893,521	\$113,426,152	\$ 4,520,693

PUBLIC HEALTH

	<u>1972-73 Budget</u>	<u>1973-74 Request</u>	<u>1973-74 Budget Approved</u>	<u>Change</u>
Public Health	\$ 76,608,887	\$ 92,263,282	\$ 82,154,011	\$ 5,545,124

BOND INTEREST AND REDEMPTION

	<u>1972-73 Budget</u>	<u>1973-74 Request</u>	<u>1973-74 Budget Approved</u>	<u>Change</u>
	\$ 20,451,535	\$ 26,260,353	\$ 26,260,353	\$ 5,808,818

MAJOR DEPARTMENTAL PERSONNEL INCREASES

PUBLIC SAFETY

149 New Positions

Includes: Police

88

Sheriff

17

Adult Probation

30

PUBLIC SERVICES

195 New Positions

Includes: Muni

139

S.F. Airport

60

(Deletes other positions to
balance figures)

PUBLIC HEALTH

16 New Positions

ALL OTHER DEPARTMENTS

122 New Positions

Includes: Tax Collector

66

Civil Service

36

Board of Supervisors

13

TOTAL ALL DEPARTMENTS:

482 NEW POSITIONS

Budget Message

April 15, 1974

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The Honorable
Board of Supervisors
Room 235, City Hall
San Francisco, California 94102

Ladies and Gentlemen:

I am submitting to your Honorable Board a non-inflationary budget of \$653,700,117 for the fiscal year 1974-75.

Despite raging inflation, reflected by a 10 percent overall increase in the cost of living, this budget represents a less than 1 percent increase over the current \$647,951,466 budget.

With but a \$5,748,651 recommended increase, it is the lowest gross increase requested during my administration.

It is a budget responding to a belief in the responsibility of elected officials to manage government in such a way as to maintain public services without contributing to the runaway spending of the private sector.

It includes not only departmental requests but also the recently approved salary increases; mandatory fringe benefits for health, retirement, and social security; and the supplemental budget.

Excluded only is the independent schools budget submitted directly to you by the Board of Education.

This budget reflects a \$41,221,313 decrease in Social Service Department funds. The decrease is the result of the takeover in funding by the federal government, as mandated by law, of the three adult aid programs. However, inflation, mandated increases and sound expansion of necessary services have dictated the necessity of the increase above the 1973-74 budget.

This sharing of welfare costs by the federal government is one result of the effort by the National Conference of Mayors to convince Congress and the President of the justice of revenue sharing.

The effort to pare City costs to the minimum resulted in 22 departments and bureaus receiving budget allocations less than those of the current fiscal year. It should be noted, however, that in most instances the departments involved made their own trims and determined their own priorities.

It would be difficult at this time to predict the effect of the proposed budget on the tax rate. However, it should be pointed up that the 1973-74 budget represented a \$72,310,464 increase over the prior fiscal year but still resulted in a 34 cent decrease in the property tax rate.

Indeed, the last three budgets presented by my administration have resulted in successive tax rate decreases despite greater percentage gross increases than that contained in the budget presented today.

The revenue and expenditure picture will not be fully developed until mid summer. Unknown factors at this time are the impact of school requirements--especially in light of recent court decisions---BART funding, and the salary requirements of police, firemen, and Municipal Railway employees.

The past history of revenue surpluses should not be ignored. After the close of the 1972-73 fiscal year, the General Fund reserve was found to have exceeded the estimate by \$22,000,000.

Experience of the past five years has been a series of surpluses ranging from \$5,100,000 to more than \$20 million. The average surplus for the period has been \$10,900,000.

Recently, the Public Utilities Commission made available \$1,000,000 to the General Fund from revenues of its Hetch Hetchy project.

It will be the policy of my administration to secure for budget requirements the \$4.8 million netted from the sale of watershed property in San Mateo County to the State Division of Highways for construction of the 280 Interstate Freeway. I am so recommending to the Public Utilities Commission.

The revenue situation in other areas does not appear promising. In the current fiscal year we have found that the energy crisis has reduced gasoline tax revenues, which have been used to underwrite many costs of the Department of Public Works, by \$800,000.

The estimate is that these revenues will decrease by \$1,100,000 during the 1974 fiscal year.

More hopefully, Congress will approve substantial federal grants to be used for the first time as a subsidy for Municipal Railway operations and the operational deficits of other mass transit systems.

In cooperation with the National Conference of Mayors, it is the intention of this administration to exert every effort in securing these funds for the relief of local taxpayers.

In our concerted effort to curb inflationary trends in City government, we found it necessary to delete \$72,778,482 in requests by departments. Departmental requests had totaled \$710,847,126. Those approved were \$638,068,644.

Of the total of 2,524 requests for new employments, only a net of 213 jobs were allowed.

Despite being geared to the battle against inflation, the proposed budget provides new and improved services with highest priorities in the areas of health care and public safety.

Of new employments, 31 positions were allocated to Laguna Honda Hospital, 22 to San Francisco General Hospital, and 12 to the Emergency Hospitals. These are more than one third of the approved positions.

In the areas of public safety, 71 positions are being allocated to San Francisco International Airport with 60 of the jobs being directly involved with security. The Sheriffs Department has received approval for 47 new employments. Four new positions have been authorized for the District Attorney's Office.

The Police Department Budget is being increased by \$1,718,664 with the majority of costs reflected in higher prices for vehicles and equipment. Significant of the inflation of the times is the \$188,181 attributable to price increases for gasoline for patrol vehicles.

Twelve new positions---one officer and eleven clerical--- have been authorized for the Police Department with a goal that clerical employees will free uniformed officers for other duties.

Utilizing \$375,008 in federal grants, the Police Department during the coming fiscal year will initiate its anti-robbery program; the first phase of the 9-1-1 universal three digit police telephone dialing system; a firearm identification program for readily identifying weapons used in major crimes and stolen weapons; and an expanded internal controls division within the department. The grants also will allow continuation of the Positive Direction Program for Juveniles.

Additionally, the Mayor's Criminal Justice Council has applied for a \$1,500,000 grant to commence the Safety on the Streets Program. Only recently, the Criminal Justice Council received a \$100,000 grant to establish a "rape crisis" program during the coming fiscal year.

The \$2,9 million increase in the Municipal Railway Budget is even more dramatic evidence of the unchecked inflationary spiral. More than one half---\$1.9 million---of the total represents increases in the prices of gasoline and diesel fuel. During the past four months there was a 91.6 percent per gallon increase in the price of diesel fuel with no end to the cycle of rapacity in view.

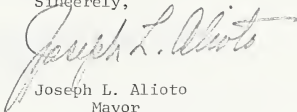
It is noteworthy that the \$8,614,866 increase allowed in the 1973-74 budget for improvements in Municipal Railway equipment, scheduling, and operator training is now clearly exhibiting signs of success. Costly missed trips due to absenteeism and equipment failure decreased by 16,708 during a six month period ending last December 31 from the 38,504 missed trips experienced during a similar period the preceeding year.

The marks of inflation are again found in the \$4,276,158 budget increase grants for San Francisco General Hospital, Laguna Honda Hospital, and the Emergency Hospitals. Of the total, \$1,206,500 is traceable directly to increased prices of foodstuffs other than meats.

The increase for public health programs are \$6,765,081. Total increases for public safety are \$3,782,320. Public utilities, airport and harbor operations increases are \$7,045,602.

It is my conviction that the budget submitted for your consideration is doing better than the times. It meets headon the harsh economic realities of inflation while maintaining the services San Franciscans have a right to expect.

Sincerely,

A handwritten signature in dark ink, reading "Joseph L. Alioto". The signature is fluid and cursive, with a large, stylized "J" and "A".

Joseph L. Alioto
Mayor

1974-75 BUDGET

1973-74	Budget as approved, including salary standardization, mandatory fringe benefits, supplemental budget, but exclusive of schools.	\$647,951,466
1974-75	Budget as approved, including estimated salary standardization, mandatory fringe benefits, estimated supplemental budget but exclusive of schools.	\$653,700,117
	Increase	\$ 5,748,651

DEPARTMENTAL REQUESTS

\$692,157,571	Departmental Budgets
<u>\$ 18,689,555</u>	Supplemental Budgets
\$710,847,126	Total Requests
\$692,157,571	Requested
<u>\$627,286,245</u>	Allowed
\$ 64,871,326	Deleted
\$ 18,689,555	Supplemental budget request
<u>\$ 10,782,399</u>	Allowed
\$ 7,907,156	Deleted
\$ 64,871,326	
<u>\$ 7,907,156</u>	
\$ 72,778,482	Total Deleted
\$627,286,245	
<u>\$ 10,782,399</u>	
\$638,068,644	Total Approved
<u>\$ 15,631,473</u>	Salary standardization, mandatory fringe increases
\$653,700,117	Budget as approved

MAJOR DEPARTMENTAL BUDGETSPUBLIC SAFETY

	1973-74 Budget	1974-75 Request	1974-75 Budget Approved	Change
POLICE	\$ 54,447,389	\$ 64,102,500	\$ 56,166,053	\$ 1,718,664
SHERIFF	\$ 5,463,464	\$ 12,619,240	\$ 5,975,118	\$ 511,654
FIRE	\$ 45,291,857	\$ 47,294,654	\$ 46,082,919	\$ 791,062
District Attorney	\$ 2,214,852	\$ 3,156,950	\$ 2,367,657	\$ 152,805
Public Defender	\$1,096,025	\$1,222,845	\$1,113,486	\$ 17,461
Adult Probation	\$1,917,406	\$3,956,353	\$1,871,122	-- \$ 46,284
Municipal Court	\$4,097,347	\$5,090,947	\$4,511,762	\$ 414,415
Superior Court	\$2,539,265	\$2,954,241	\$2,761,808	\$ 222,543
TOTALS	\$117,067,605	\$140,397,930	\$120,849,925	\$3,782,320

PUBLIC HEALTH

MAJOR BUDGETS

	1973-74 Budget	1974-75 Request	1974-75 Approved	Change
Maternal and Child Hygiene	750,686	808,904	795,815	45,129
Mental Bureau	294,222	401,614	401,614	107,392
Food & Sanitary Inspection & Rodent Control	1,479,898	1,643,963	1,542,781	62,883
Health Centers	3,693,820	3,964,934	3,873,338	179,518
General Disease Control	665,916	696,945	690,376	24,450

INSTITUTIONS

Emergency Hospital	2,163,501	2,967,597	2,488,500	324,999
Maguna Honda	16,110,298	18,086,483	17,134,175	1,026,174
General Hospital	32,830,619	40,977,914	35,747,456	2,916,837
Center For Special Problems	966,311	1,006,245	1,003,996	37,685
Mental Retardation	211,260	260,591	241,020	29,760
Alcoholism	1,970,198	2,831,376	2,572,867	602,669
Methadone Maintenance	778,361	828,491	828,491	50,130
TOTAL PUBLIC HEALTH	86,020,618	103,593,877	92,785,699	6,765,081

Social Services

	1973-74 Budget	1974-75 Request	1974-75 Approved	Change
Social Services	149,447,696	156,943,240	108,226,383	-41,221,313

Public Utilities, Airport and Harbor

	1973-74 Budget	1974-75 Request	1974-75 Approved	Change
S.F. Airport	29,547,576	31,757,816	29,673,587	126,011
Muni Railway	62,854,235	72,088,711	65,763,152	2,908,917
Water Dept.	20,079,350	25,807,878	23,808,893	3,729,543
Hetch Hetchy	21,479,625	21,565,451	21,274,261	- 200,364
Harbor	15,374,664	16,881,121	15,856,159	481,495
Totals	149,330,450	168,035,835	156,376,052	7,045,602

Budget Message from the Mayor to the Board of Supervisors

April 11, 1975

DOCUMENTS

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The Honorable
Board of Supervisors
Room 235, City Hall
San Francisco, Ca. 94102

Ladies and Gentlemen:

I am submitting to your Honorable Board a budget of \$695,213,402 for the fiscal year 1975-76.

It is a budget better than the times.

While this nation has experienced a 14 percent inflationary increase, this budget reflects a less than 5 percent increase over the \$662,979,966 budget for the current fiscal year.

The \$32,233,436 recommended increase represents the maximum effort by my administration to maintain the quality of public services without contributing to the runaway inflation that has plagued our economy.

The budget includes not only departmental requests but also the recently approved salary increases; mandatory fringe benefits for the City's miscellaneous workers; and the supplemental budget.

But for the utilization of a 7½ percent salary savings formula this increase would be \$42,733,436. The only other way to achieve these savings would have involved layoffs of approximately 1,000 workers.

This budget is the result of a rigorous scrutiny of the needs of all departments. Requests for additional funds totaled \$135, 287,287. My budget office eliminated \$110,053,851 of those requests without impairing services.

Another important feature is that it represents a net of but 20 new positions although departmental requests were for 1,881 new jobs. An examination of the budget will show that there were necessary increases in personnel. The examples include 36 new employments for the Sheriff's Department, 53 for San Francisco International Airport, 25 for the Municipal Railway, 13 for the Department of Public Health, and 11 for the District Attorney. However, the elimination of unnecessary posts in other departments brought the net result.

The effect of this budget on property owners and renters is difficult to assess. For example, in the 1973-74 budget we had a \$72,310,464 increase at this exact point in the fiscal process, but still achieved a 34 cent decrease in the property tax rate. As a result of state and federal subventions the ad valorem impact of the \$12,508,374 increase in the Social Services budget is but \$1,260,172. New employments can themselves generate new revenues. The additions in the District Attorney office and Department of Social Services will produce an estimated \$1,000,000 in enforcing the collection of child support payments from legally obligated parents.

It also should be stressed that the 53 new employ-
ments at San Francisco International Airport will have no
effect on tax rates because the airport is a self-supporting,
revenue-producing enterprise.

One should be mindful that the property tax prediction,
at this time last year was overstated by \$29,000,000, as borne
out in the 1974-75 Tax Rate and Appropriation ordinance.

The revenue and expenditure picture will not be
fully developed until mid summer. Unknown factors at this
time are the impact of school requirements, BART funding and
the salary requirements of police, firemen and Municipal Railway
Employees.

As a result of our aggressive pursuit of federal funds,
many municipal services are provided without being a burden on
the local property taxpayer.

The Municipal Railway budget, without salary standardi-
zation, was \$1,174,222 less than the current fiscal year. Yet
today we have programs amounting to \$286,000,000 for the complete
modernization of the Muni, with the Urban Mass Transportation
Administration providing up to 80 percent of the money.

Had it not been for those federal monies, more than
\$10 would have been added to the San Francisco property tax rate
to support this same rehabilitation program, resulting in a
rate of more than \$22 instead of the current \$12.75.

Under a four part program, Muni will receive an entirely new fleet of transit vehicles. Virtually all street-car and cable car tracks will be replaced. The electrical distribution system will be completely renewed with major portions being placed underground. New shops, garages and stations will be constructed. Beneath Market street, a dramatic new subway system is nearing completion and next month 100 new comfortable and quiet new buses will be placed on the streets. Holding to our plan for relying as much as possible on clean, non-polluting electrical power, Muni is buying 343 new electric trolley coaches.

The Sheriff's Department is another case in point. Although the \$6,612,947 proposed budget is \$68,156 less than the current budget, there has been no decrease in funds for the human needs of prisoners in the Sheriff's custody. Indeed, there have been increases in the major categories. The allotment for foodstuffs has been increased \$120,930. Equipment, including new appliances has been increased \$3,706; materials and supplies including clothing and bedding increased \$27,097; and contractual services, including heat, light and power increased \$19,782.

Not reflected in the budget is the \$987,303 received by the Sheriff's Department in federal grants achieved since 1971 through the Mayor's Criminal Justice Council. Nor is there a reflection of the 52 rehabilitative and administrative posts recently added to the Sheriff's staff through the use of federal public employment programs.



A survey of budgets approved for the Sheriff's Department since 1971 shows that department has experienced an increase of more than 65 percent in funding---from \$4,027,575 in 1971 to the proposed \$6,612,947 for the coming fiscal year. During that same period the total City budget, exclusive of schools, increased approximately 22 percent.

Our commitment to a continuing program of vigorous, constitutional law enforcement is reflected in the \$974,343 additional funds proposed for the Police Department during the coming fiscal year. The commitment is best illustrated by comparison of the \$21,477,514 police budget for the 1967-68 fiscal year with the \$62,076,859 recommended in this budget.

The timely procurement of \$336,781 for police use by the Mayor's Council on Criminal Justice undoubtedly has enhanced the department's capabilities. Programs covered by the grants have ranged from the successful anti-vehicle theft campaign to institution of the burglary abatement project in the City's Mission District. These increased police services have been achieved all without becoming a charge on the local tax rates.

The proposed budget for the Public Library, has been increased by \$424,572 from the current year's budget. Significant in the increase are funds to provide the first phase of an automated system for the circulation of books. This system will allow the library to determine immediately which book has been borrowed, the borrower, and when the volume will be returned.

Also of note is the funding for an electronic book theft detection system to be installed at the Main and Business library. It is expected the installation will result in elimination of the \$97,000 annual loss through thefts.

The ~~\$12,519,529~~ ^{\$121,684,509} proposed budget of the Social Services Department represents a \$12,508,374 increase over current funding. Such an increase is the obvious result of current depressed economic conditions. Equally obvious is the necessity of meeting the needs of the economically distressed. It should be noted that the cost of assigning 13 new workers to Fraud Investigation and Prevention of Defects and Quality Control Programs will be offset by reducing overpayments, screening ineligible, and recovering funds where fraud has been determined. The cost-of-living adjustments for the JACKIE Program, general assistance Program, foster care of children, and for adoption services is expected to be borne in part by the revenues generated by the 13 new staff workers.

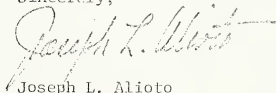
The public health needs of our community have risen to at cost of \$103,017,320, an increase of \$8,432,855 over the current budget. More than \$5,000,000 of the increase is directly attributable to increased costs of maintaining Laguna Honda and San Francisco General Hospital.

A most significant increase--\$5,656,135---in the proposed budget stems from the interest and redemption of bonds approved by the electorate. However, this increase should be

considered the wise investment in our future in that it guarantees San Franciscans improved fire protection, earthquake safety, improved sewage treatment, and other major capital improvements.

It is our conviction that the budget submitted for your consideration is the prudent and reasonable discharge of our obligations to the people of San Francisco.

Sincerely,

A handwritten signature in dark ink, reading "Joseph L. Alioto". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Joseph L. Alioto
Mayor

1975-76 Budget

1974-75

Budget as approved, including salary
standardization, mandatory fringe
benefits, supplemental budget, but
exclusive of schools.

\$662,979,966

1975-76

Budget as approved, including estimated
salary standardization, mandatory fringe
benefits, estimated supplemental budget
but exclusive of schools.

\$695,213,402

INCREASE \$ 32,233,436

DEPARTMENTAL REQUESTS

\$779,809,717
18,457,536

Departmental Budgets
Supplemental Budgets

\$798,267,253

Total Requested

\$779,809,717
682,153,054

Requested
Allowed

\$ 97,656,663

Deleted

\$ 18,457,536
6,060,348

Supplemental Budget requested
Allowed

\$ 12,397,188

Deleted

\$ 97,656,663
12,397,188

\$110,053,851

Total Deleted

MAJOR DEPARTMENTAL BUDGETS
WITH SALARY STANDARDIZATION AND SUPPLEMENTAL BUDGET

PUBLIC SAFETY	1974-75	1975-76 Requested	1975-76 Approved	Change
Police	61,102,516	67,509,017	62,076,859	974,343
Sheriff	6,681,103	14,206,479	6,612,947	- 68,156
Fire	50,437,780	52,995,119	51,041,283	603,503
District Attorney	2,523,264	4,501,621	2,782,951	259,687
Public Defender	1,185,217	1,624,084	1,227,807	42,590
Adult Probation	1,978,723	4,003,623	1,992,844	14,121
Muni Court	4,767,086	5,766,897	5,752,482	985,396
Superior Court	2,899,835	3,714,990	3,710,945	811,110
 TOTAL	 131,575,524	 154,321,830	 135,198,118	 3,622,594

Public Utilities, Airport and Harbor
Including Salary Standardization and Supplemental Budget

	<u>1974-75</u>	<u>1975-76 Requested</u>	<u>1975-76 Approved</u>	<u>Change</u>
Airport	\$34,620,870	\$32,927,793	\$31,459,601	- \$3,161,269
Muni Railway	74,616,520	80,496,219	73,637,355	- 979,165
Water Dept.	25,149,951	28,188,251	26,153,839	+ 1,003,888
Hetch Hetchy	21,600,702	23,866,204	22,049,752	+ 449,050
Harbor	16,356,997	17,525,730	15,383,517	- 973,480
Total	\$172,345,040	\$183,004,197	\$168,684,064	- \$3,660,976

PUBLIC HEALTH INCLUDING MENTAL HEALTH SERVICES
WITH SALARY STANDARDIZATION AND SUPPLEMENTAL BUDGET

	1974-75	1975-76 Request	1975-76 Approved	Change
PUBLIC HEALTH	94,584,465	128,609,313	103,017,320	8,432,855
	1974-75	1975-76 Request	1975-76 Approved	Change
BOND INTEREST and Redemption	46,788,173	52,921,898	52,445,308	5,657,135
	1974-75	1975-76 Request	1975-76 Approved	Change
PUBLIC WORKS	29,074,608	46,720,231	30,542,405	1,467,797

SOCIAL SERVICES INCLUDING SALARY STANDARDIZATION
and Supplemental Budget

	1974-75	1975-76 Request	1975-76 Approved	Changed
SOCIAL SERVICES	109,176,135	126,884,832	121,684,509	12,508,374



DOCUMENTS

DATE: 4/15/77

April 15, 1977

Budget Message

MR. PRESIDENT AND MEMBERS OF THE BOARD:

I am pleased to submit for your review the Budget for the City and County of San Francisco for 1977-78. This is a budget which will not require any increase in the City's portion of our current property tax rate.

Although the total spending is \$26.8 million greater than estimated spending for the 1976-77 fiscal year, the increase will be made up from state and federal subventions, natural change in our local revenues, and a modest growth in assessed values. It is, then, a budget which lives within the automatic growth in our revenue sources and can be described as a "cost of living" budget, since it grows no more rapidly than the economy which supports it.

In my estimate of revenues and expenditures for 1977-78, I have anticipated receipts from the Payroll Tax and the Parking Tax as though both of these levies were continued at their current levels. Last year you extended the rates which were already in force and I am submitting legislation to continue the rates which are now being charged.

I have said on many occasions that the primary goal of my administration in these first years is to bring management talent and management principles to this sadly un-managed or under-managed city.

During the budget process, we insisted that every manager review the way in which he or she operates. We required them to present their departmental requests along functional program lines and to justify their demands in terms of service outputs. You will have an entirely new budget volume which relates functional program outputs to budget requests for use in your budget review process. This is part of our effort to effect those efficiencies which private industry takes for granted but which have been glaringly absent from the local governmental scene. In that regard, our budget recognizes that we must end the deplorable vacuum of secondary management talent that we have too long countenanced. I hold no brief for bureaucratic empire building, but past prejudices against the employment of management talent has been totally counterproductive. We advised each Department early during the budget process that we expected to authorize few new city employments except for those in the management area which are intended to improve effectiveness and efficiency or the production of revenue. Our budget adheres to that policy.

It is obvious that we cannot constantly increase the funding level of city services, nor are we in a position to reduce services below what are deemed to be essential levels. The answer then is to do what we do in a more efficient manner. The budget I am submitting to you embodies this principal. It is in the very best sense of the word a "management budget".

Earlier this year the Departments asked us to create 833 new positions in our bureaucracy. After careful review, we are asking you to authorize 211 positions, of which 136 are directly related to providing better management, new revenue, or employments at a cheaper price than is presently the case. I will describe these in more detail a little later in this message.

While city-operating departments had requested \$777 million, our total spending package for City services is \$710 million. This compares to estimated actual spending for 1976-77 of \$683 million.* I would like to point out some of the most important components of that spending package.

A little noticed item, not the kind of thing which brings headlines, but which in the long run may be the most significant step we are taking in this budget is to ask you to fund our commitment for a new Program/Performance Budgeting System for the City. This project has been talked about for many years but was not brought to fruition until this year through the joint efforts of the Mayor's Office, the Board's Budget Analyst and the Controller. When it is fully operative in 1980-81, it will allow us to make decisions more rationally, and most importantly, will provide quantified goals and measurable performance indicators against which departmental management may be held accountable. It will also make the budget process and documents understandable to the people.

*These figures include salary standardization and MUNI but exclude Airport, Port, Water and Hetch Hetchy

In the Controller's Office, we have added ten new positions in response to a Mayor's Fiscal Advisory Committee Study conducted by Touche Ross which outlined the staff necessary for adequate fiscal control and timely full fiscal reporting demanded by the bond buying public.

We are proposing a Performance Evaluation and Training Program in the Civil Service Department. With the addition of a Director of Training and a Training Officer, as well as \$25,000 for employee tuition supplements, we intend to train the new managers and evaluate employees' productivity.

As stated earlier, we need to make an investment in second level management. As a sample of where such secondary management is being requested, we are authorizing a new Assistant Director for the Human Rights Commission so that the Director need not divide his time between in-house administration and program functions. In this same vein, we created an assistant position for the Recorder where the second level management until this time had been a Principal Clerk, and a new management assistant in the Street Sweeping Division where no management assistance has heretofore been provided. The new City Librarian will have an Assistant Librarian, a Personnel Analyst and an Operations Analyst to aid in his oversight of 275 employees and a budget nearing \$8 million. The Director of Social Services will have 8 new administrative positions to help manage 1600 employees in a department where extra-ordinarily high turnover attests to the need for more management depth.

In the Police Department, we freed 36 officers for street patrol by providing 36 new civilian employees for duties within the Hall of Justice. These officers have been performing duties for which standard civil service job classes are already in force. It makes 36 trained, senior officers available to the Chief at considerably less cost than hiring new persons for training classes, and hoping 36 will graduate and remain on the force, and it will bring to 187 the number of uniformed officers made available for street duty since this fiscal year began. The law enforcement positions added to the Department will be complemented by 19 new attorney and investigator positions for the District Attorney. None of these figures include the substantial commitment of federal funds we have made to other crime fighting programs throughout the City such as the new MUNI Transit Security Force of 103 persons, the Citizen's Safety Project, or the enlarged Senior Citizen's Escort Service.

We have increased the Police equipment budget from the 1976-77 level of \$329,000 to \$750,000 in the new year and have included 40 new and replacement patrol cars for street duty.

A new Internal Affairs Bureau will be created in the Police Department to investigate complaints against officers. The principal difference between this new Bureau and current practice is the employment of civilians rather than officers to do the investigative work. This Bureau is the product of an exhaustive study by the San Francisco Bar Association and was adopted unanimously by the Police Commission.

I'm also happy to tell you that we will be acquiring some new horses for the mounted patrol.

The Fire Department will receive funds necessary for two complete training classes of new Firefighters. The Department will have \$2.6 million more dollars with which to operate than they had this year--a most adequate fire fighting commitment. The San Francisco Port Commission had traditionally provided funds for full operation of the fireboat but with this year's submission, it has reduced its support to \$467,000. This required an increase in the Fire Department request in order to maintain the boat at the full-service capacity we think necessary.

Our commitment to better management is expressed also in the budget for Community Mental Health Services. Last year we funded a study designed to improve patient care in this unit. With a new Director of Health about to begin his service, decisions regarding recommended reorganization and structural changes should be made. We are providing this flexibility by budgeting eight months of the new year in the current organizational plan and the other four months in separate line items available for transfer to whatever new structure will be recommended by the Director to the Mayor and your Board.

In other units of the Department of Health, our policy was to reward management performance by allowing expenditure increases to the extent management could increase its own external funding sources but to deny any spending increases dependent upon property tax revenues. We believe that the improvements we have made, particularly in our ability to qualify for federal and state reimbursements will actually reduce our current property tax contribution in spite of an increase in the total cost of the

health service we are going to provide. The budget anticipates 24-hour service at all our emergency aid stations.

The biggest single expenditure increase (\$7.2 million) is in the MUNI budget. There is little doubt, however, that one could increase this budget by twice that amount and still be told that the transit system is underfunded. After long discussion with MUNI management and given the fiscal constraints under which we must operate, it is our belief that the most prudent course is to invest in increased support of the maintenance function. It is our opinion that the 55 of 144 requested new maintenance personnel whom we are approving can effectively be absorbed by MUNI during the coming budget year. This increment in maintenance strength combined with improved management practices in the maintenance area and the \$1.5 million in federal funds appropriated to this function should serve to provide a discernible increase in revenue-vehicle availability throughout the fiscal year. Progress can be evaluated during the next ensuing budget cycle.

We have approved the PUC-MUNI management reorganization plan which is designed to provide fresh secondary level management as well as to centralize the planning function within MUNI. The preponderance of other increases in MUNI funding are wage and cost inflation which are, unfortunately, largely beyond our control.

Last year we made a commitment to fund a capital outlay program which would catch up with the City's deteriorating physical plant. As a start, we submitted a request of \$6.9 million for 1976-77. We are continuing

this commitment and request \$8.9 million for next year, of this amount, \$3 million is from Gasoline Tax sources or other Special Funds and the remainder is ad valorem. These funds are in addition to the \$2.5 million of federal funds poured into the Department of Park and Recreation to restore our parks and open spaces and another \$1.5 million devoted to deferred maintenance of public buildings during this fiscal year.

This year we intend to replace almost one-fifth of our automotive fleet. We plan to purchase 100 compact automobiles as the first phase of a new fleet management program. The cars to be replaced are all high maintenance, high mileage, and over 10 years old! While it may be cheaper in the short-run to dribble away even more repair money on these old vehicles, we can never expect 10-year-old cars to be a stable part of our auto fleet. Specific language in the budget will prevent the permanent assignment of these new vehicles to senior members of department staffs. They will be distinctively marked and we expect them to be used by field workers.

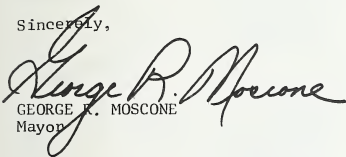
I believe that our efforts to maintain critical service levels in Public Safety and Public Health, to enhance the availability of MUNI vehicles, to honor our commitment to reverse the slide into further disrepair of our physical plant, combined with our efforts towards management enhancement deserve your support.

I believe this budget is a good program for 1977-78. It represents an honest statement of my priorities within the constraints imposed on us. It anticipates City departments performing a bit more work with the same or fewer numbers of employees behind the counters or in the street and

with a small percentage increase in the capacity of the manager to motivate them and see to the most efficient use of our available talent.

I urge your careful review of these requests and I assure you that my office is available to assist you with further details or other support as you adopt this plan for the operation of our government. The program we envision here and the improvements we are making will direct the City's ability to meet its citizen's needs for far longer than the one year covered by this spending. It begins improvements which will be felt long after the terms of any of us who serve here today.

Sincerely,



GEORGE R. MOSCONE
Mayor

COMPARISON OF DEPARTMENTAL REQUESTS
MAYOR'S PROPOSAL FOR 77/78 AND BUDGET FOR 76/77

DEPARTMENT	76/77 Budget	76/77 Estimated Actual	77/78 Departmental Requests	77/78 Mayor Approved (1)
CULTURE & RECREATION				
Art Commission	\$ 901,064	\$ 1,069,600	\$ 1,283,649	\$ 942,762
Academy of Sciences	891,710	891,710	1,277,415	1,023,375
Fine Arts Museum	2,107,751	2,224,693	3,214,593	2,355,890
Asian Arts Museum	418,759	419,799	1,048,617	463,463
Library	6,458,570	6,349,017	10,245,024	8,242,238
Publicity & Advertising	3,300,000	3,300,000	4,000,000	4,000,000
Recreation & Park	23,890,003	28,068,579	30,365,649	27,250,029
War Memorial	2,088,763	3,075,435	3,725,873	2,271,370
PUBLIC WORKS	32,027,379	35,577,261	50,726,717	34,953,597
MUNICIPAL RAILWAY	79,061,637	76,647,646	94,741,334	86,325,712
PUBLIC SERVICE ENTERPRISES				
PUC General Office	893,384	884,638	914,392	965,411
PUC Computer Center	Ø	Ø	1,089,738	1,127,457
Airport	35,612,836	45,721,848	41,709,385	39,938,095
Water	26,600,377	27,872,846	31,605,382	27,217,507
Hetch Hetchy	24,536,301	45,983,892	48,440,587	46,157,508
Port	16,583,218	20,584,474	16,461,547	16,194,865
HEALTH & WELFARE				
Public Health	13,844,386	13,440,261	16,715,918	14,391,443
Institutions	69,749,187	67,721,193	87,434,188	77,026,193
C.M.H.S.	25,991,029	25,221,019	28,417,151	26,680,289
Medi-Cal	21,510,318	21,510,318	21,510,318	21,510,318
Social Services	132,034,398	131,002,203	140,501,457	136,457,489
PUBLIC SAFETY				
Adult Probation	2,118,271	2,049,668	2,406,514	2,414,369
Emergency Services	176,292	175,319	259,916	245,419
District Attorney	5,501,995	5,128,942	9,072,190	7,274,345
Fire	65,238,408	63,506,517	70,639,477	65,870,035
Courts	9,284,276	9,293,582	11,650,808	11,650,808 (2)
Police	77,659,451	75,153,336	83,430,958	77,615,780
Public Defender	1,811,359	1,700,070	3,268,478	2,139,623
Sheriff	9,432,178	8,987,449	12,877,517	10,995,299
Juvenile Court	7,528,513	7,243,513	8,997,673	8,148,964
Coroner	706,605	688,433	823,319	763,568

(1) Excluding supplemental budgets but including salary standardization.

(2) Per City Attorney's opinion that the Municipal and Superior Courts' budgets cannot be reviewed by the Mayor.

COMPARISON OF 76/77 BUDGET AND EXPENDITURES

TO 77/78 DEPARTMENTAL REQUESTS AND MAYOR APPROVALS (IN 000)

	76/77 Budget	76/77 Estimated Actual (1)	77/78 Departmental Requests	77/78 Mayor Approved (2)	Approved Increase over 76/77 Budget	Approved Increase over 76/77 Actual
GENERAL CITY	\$586.237	\$607.124	\$682.487	\$624.249	\$ 38.012	\$ 17.125
MUNICIPAL RAILWAY	79.061	76.647	94.741	86.325	7.264	9.678
TOTAL	\$665.298	\$683.771	\$777.228	\$710.574	\$ 45.276	\$ 26.803
PUBLIC SERVICE ENTERPRISES (3)	103.338	140.158	138.222	129.523	26.185	-(10.635)
TOTAL NET SPENDING	\$768.636	\$823.929	\$915.450	\$840.097	\$ 71.461	\$ 16.168

(1) Controller's estimate of actual expenditures for 76/77.

(2) Excluding supplemental budgets but including salary standardization.

(3) Includes Airport, Port, Hetch Hetchy and Water Departments.

OFFICE OF THE MAYOR
SAN FRANCISCO

DIANNE FEINSTEIN

DOCUMENTS DEPT.

JUN 19 1980

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2/80
June 12, 1980

Budget Message from the Mayor
Honorable John L. Molinari, President
Members, Board of Supervisors
235 City Hall
San Francisco, California 94102

Dear Supervisor Molinari and Members of the Board:

We are pleased to submit a balanced budget for the fiscal year 1980/81.

The general fund budget is \$668,812,962, an increase of \$17,095,000 over last year. This is a 2.6% increase, contrasted with an inflation rate of 12.5%. Exclusive of salary standardization (\$39-million), this budget is \$22-million less than in FY79-80.

This year's budget includes some \$39-million mandated by the City Charter for salary increases. Last year's budget, when submitted by the Mayor, did not include salary standardization. This year's figures include all salary increases, including those projected in August for platform workers, police and firemen.

The special fund and "enterprise fund" budget is \$418,436,747, an increase of \$108,246,916.

The total budget, therefore, is \$1,087,249,709. We will be laying off only 62 people--far less than the number originally estimated--and we will eliminate 556 jobs that are currently vacant.

The public service enterprises and special funds of the City--those operations most similar to private businesses--will all experience healthy growth in revenues next year. We anticipate collecting some \$418-million from the customers of these enterprises. This is \$108-million more than budgeted for FY79-80.

The enterprise funds consist of such operations as the Port, Airport, the water department and Hetch Hetchy, the Municipal Railway, the General Hospital, the Moscone Convention Center, the wastewater program, and such smaller businesses as Candlestick Park and the Yacht Harbor. Two of these, Muni and the General Hospital, operate at a deficit and require a subsidy from the general fund. All of the others operate entirely on their own resources and require no general fund support.

The increased use of enterprise funds is largely at the Airport (\$34.5-million), where the entire capital outlay program is being funded on a pay-as-you-go basis this year. We anticipate returning to bond financing of such long-term capital needs when the current Airport litigation is satisfactorily resolved. Another large increase in self-generated funds is shown at the Muni where we have been able to increase enterprise-fund spending by \$39-million while we decrease the general fund subvention by \$18.5-million.

Other components of increased spending by our enterprises are the resurgent Port of San Francisco, which is up \$2-million, and, as it approaches completion, an increased spending rate for the Moscone Convention Center of \$2.3-million.

The water department and power generating operation, which this year will return \$8-million to the general fund and which is a centerpiece of our revenue expectations for the future, must be maintained. We are looking to major maintenance and water main replacement programs. Expenditures in that area will be up \$14.8-million.

Once again, San Franciscans voted to continue our wastewater program. This will produce and expend an additional \$8.0-million expenditure in FY80-81. Our Hospital has, by diligent effort, increased its revenue-generating capacity. We anticipate that it will have \$6.5-million more of its own dollars to spend next year. For that reason we are able to hold down our tax subsidy to a relatively small \$3.7-million.

San Franciscans not only want, but they are willing to pay for essential services that government can provide. This budget provides those services, and this administration is committed to maintaining them at the highest possible level.

The efficiencies and improved management practices that my administration initiated are continued and expanded. It is more imperative than ever, for example, that we streamline our budget procedures. This year major progress was made in improving both the process of building a budget, and the format in which it is presented to your Board and the public.

I continued and refined the practice of asking departments to build their budgets based on different revenue assumptions. Each department was given a set of increments that represented the amount of tax support they could expect varying from a 'base' budget to higher levels. We received the department's recommendations of what package of services they could provide. For those departments that are now reporting their performance against established goals and objectives, I have established clear direction of what I will expect in the coming year. The focus of our effort has shifted from asking not only, "How much money does a department need?" to, "What does the public receive for the dollars invested?" The linkage of dollars to results is a major part of our recommended budget for 1980/81.

The budget you receive today has changed in ways that reinforce this emphasis on results. It is also designed so that it is easier to understand. Let me outline some of the key changes in the format of the budget:

1. New summaries are provided of both revenues and expenditures.
2. Each budget includes a summarized written analysis of what I have recommended and what effect funding at the level recommended will have on the departments and on the public.
3. For those departments now under the FIRM Management By Objectives program, expenditures and revenues are automatically compared to the performance expected, program by program.

4. Adjustments made in any line items are explained so that you will be able to determine the intent of any specific reduction or modification.
5. Department estimates of the effect of funding on their internal operation, as well as on the public, are provided.
6. Selected line items are consolidated in the presentation.

These changes were made so that the budget can be a tool for management, as well as a tool for allocating resources. It represents both my priorities and my expectations of performance.

Before discussing the expenditure programs in detail, I think it is important that we take a look at some of our longterm revenue problems. The constitutional limitation on the property tax rate has removed our ability to keep city revenues in line with the inflation in costs by which the City, like every family is victimized. Like every San Franciscan buying goods and services, City departments are required to spend more each year without, however, being able to buy more for these inflated dollars. The City's purchasing power has, like everyone else's decreased, even while we are required to come up with more dollars each year.

While the Consumer Price Index (CPI) is not a completely accurate reflection of the increase in costs of goods and services purchased by the City, it is an index commonly used by the State and local governments to measure their inflationary pressures. It is instructive to look at our spending programs and compare them with the rate of inflation as measured by this index.

SCHEDULE #1 (in \$000s)

	<u>CPI (1)</u>	<u>Allowable Budget as CPI Adjusted</u>	<u>Actual Budget (2)</u>	<u>Difference</u>	<u>Spending Rate in "Common" Dollars</u>
Base 77/78	188.4	\$609,048	\$609,048	\$ -0-	100
78/79	205.1	663,253	572,438	- 90,815	.863
79/80	232.2	750,347	651,717	- 98,630	.818
80/81	261.3	844,749	668,812	-175,937	.792

- (1) SF Bay Area, CPI source: Department of Finance.
- (2) General Fund budgets less Public Service Enterprises.

It thus becomes obvious that even as the City's budgets have increased the purchasing power, and therefore the service potential, of the departments have declined significantly. What these figures illustrate is that our departments are making do with less. The City on the whole has absorbed a 20% reduction in real dollar terms in three years. We have not had a 20% reduction in services.

As you know, the bulk of our expenditure dollars are wage dollars. In the three years 78/79, 79/80 and 80/81, our total wage costs will have risen by \$118-million. The resultant cost increases to the General Fund Departments will be approximately \$83.2-million. This is without an increase in total general fund employments. Our contributions to the pension system were some \$79-million in the last year before Proposition 13. They have ballooned to an anticipated \$115-million for 80/81. These costs are presently dictated by the Charter and are completely beyond our control. In pre-Proposition 13 days, when we could rely on a flexible and reachable revenue base (the property tax), this may have been acceptable. It is clearly not acceptable now. I will be proposing charter changes to reduce our pension costs, as well as proposals to bring wage cost increases within the decision-making power of the responsible leadership of the City.

I have mentioned the City's "flat" revenue base. What this means is that our revenues are not sufficiently responsive to inflation. Revenues do not increase at nearly the same rate as inflation causes our costs to increase. Our major locally-raised taxes increased 3.4% from 79/80 to 80/81, while the CPI increase is estimated at 12.5%. Thus, there is an annually widening gap between our costs and our resources. It is instructive to look at two components of our revenue base.

UNRESTRICTED GENERAL FUND REVENUES*

	<u>FY 79/80</u>	<u>FY 80/81</u>	<u>Change</u>	
Property Tax	\$148,190,348	155,000,000	+6,809,652	+ 4.6%
Other Taxes	183,619,621	187,272,111	+3,652,490	+ 1.9%
Depart'l Revenue	14,720,948	21,258,041	+6,537,093	+44.6%

Our most important revenue sources, the property tax and other local tax sources, will increase from \$331,809,969 to \$342,272,111--a grand total of some \$10.4-million while the salary standardization in the General Fund alone will cost us \$38.7-million.

Our departments will increase their own fee and subvention revenues in 80/81. However, in the context of our total budget, the additional amounts that we can continue to raise in fees and charges in the future will go only a very small way towards solving our dilemma. We can and will continue to push for increased productivity and operating efficiencies, but it should be clear to anyone who looks at these figures that this will not be enough to close the continuously growing gap between costs and revenues.

Our cost increases are a reflection of what is happening in the national economy. The nation cannot sustain the present rate of inflation. Too many citizens are forced to live on what are essentially fixed incomes. They will find a continued decline in the standard of living unacceptable. It is unacceptable to us as well. The national administration must bring inflation under control. We, for our part, must in the coming year, serve to create a revenue structure which keeps pace with whatever cost inflation there is, or else we will be forced to massively reduce our commitment to public services. It is impossible to maintain the status quo when costs are escalating at 12.5%, and revenues at less than 4%.

A major reason for the dollar increase, of course, is \$39-million in charter mandated salary increases for city employees. We cannot--short of an emergency and suspending the charter--avoid paying these higher salaries. The average salary increase was 11%.

Obviously, unless the City's revenues keep up with inflation, the wages we pay cannot continue to increase at such a high level. The only alternative would be to dismiss city employees and reduce services even more.

For the first time, we are deliberately letting people go because of budget limitations rather than doing it by attrition. Although the figure is relatively small--thanks partly to savings we have been able to make by not filling job requisitions during the last quarter of

the year--we will, in addition to eliminating permanent jobs from the budget, be cutting our workforce by at least 700 people during the course of the fiscal year through attrition. We are laying off 62 employees in this budget, as follows: Civil Service, 8; Public Works, 7; Public Health, 1; Recreation and Parks, 5; Retirement System, 1; Museums, 11; Library, 4; Sheriff, 3; Commission on the Status of Women, 2; City Purchaser, 3, and Police Department, 17.

Tax Supported Departments

In the category of public protection, which includes the Police and Fire Departments, the Sheriff, Public Defender, the courts, and adult probation, general fund expenditures are up by varying amounts, some of it court mandated, some of it a reflection of our own priorities, and some of it designed to reflect a balance in our capability to deal with problems of public safety.

It does not make sense, for example, to bring the Police Department up to full strength so there will be better law enforcement, and more arrests, and at the same time to starve the district attorney's office, so the capacity to prosecute criminals is diminished.

The Police and Fire Departments, between them, account for more than 25% of our general fund spending. Even a minor increase, percentage-wise, in their budgets, adds up to a substantial dollar amount.

The Police Department will be brought to the full strength authorized by the City charter in the next 18 months. By the end of this fiscal year the force will be increased by 197 sworn officers. By December, 1981, we aim to have a full complement of 1971 police men and women for the first time in the history of San Francisco. The goal of this administration is to have police who walk beats, a reduced crime rate, and a safe city for all of our citizens. This is my highest priority.

We will be eliminating the job of traffic controller. There are 17 traffic controllers in the budget now. We are also deleting 39 vacant civilian jobs. Traffic controllers who are released will have the first opportunity to be rehired as parking controllers, a revenue-producing position. We will add a total of 45 new parking control officers and we estimate

that traffic fine revenues, overall, will increase by some \$16.8-million during the coming fiscal year as a result of more personnel, stricter enforcement, and higher fines.

The Fire Department budget will maintain the ability of the department to put out fires. On that, the Chief and I are in full agreement.

A subcommittee of the pro bono Committee for San Francisco (Lee Munson and Richard Griffiths) spent eight months working on a detailed computer report of the present allocation of fire stations, analyzing both first and second responses. The topography of each area, along with the width and configuration of streets, were measured to determine where and how efficiencies could be effected without adversely impacting response time. Based on this analysis (which will be presented to the Finance Committee at the time of its hearing of this budget), two engine companies and two truck companies were deleted at a savings of \$2.5-million. No fire fighter will be laid off and response time will not be significantly affected. In some cases response time will be improved.

This is in accordance with improved management practices being initiated throughout City government. Where there is overlapping and inefficiency in the operation of City departments, changes will be made.

The Fire Department budget contains funds for two new pumpers, 40 radios, and 70 reserve breathing respirators.

Courts: Once again I express my strong belief that court services mandated by the State should be paid for by the State. The Superior Court budget is up 8.6%. The Municipal Court budget is being increased 20%. This includes a new computer system (SATS) designed to deal with the expected increases in traffic citations. I asked the Superior Court to reduce its budget further, but as the attached letter indicates, the request was denied.

In the second major category of tax supported programs--human welfare--dollar figures are generally higher. But, in most cases, services that are provided will not be expanded.

Remember, our general fund budget increased by only 2.6% against an inflation rate of 12.5%.

Realistically, any increase in the spending program of less than 12.5% is a decrease. This means we cannot buy the same amount of services.

Social Services spending, for example, is up by only 6.8%. We are able to generate savings in the general assistance area, which is entirely locally funded, because the caseload has been reduced to less than 3,000 and we expect that trend to continue.

San Francisco's economic health is phenomenal. In April, for example, while national unemployment figures soared to 7.8% and such neighboring communities as Berkeley had 8.1% unemployment; Oakland, 7.6%; and Los Angeles, 7%, San Francisco's unemployment rate was only 5.4%. This compares with an average unemployment rate in San Francisco last year of 7.1%. (These figures were supplied by the State Department of Economic Development).

There will be minor cuts in cultural and recreational programming, even though the budgets for recreation and parks, for the library, museums and the open space program, are all higher than last year's budgets. With the exception of the open space budget, which is mandated by City charter, none of them kept pace with a 12.5% inflation rate.

The Recreation and Park Department was funded at close to 100% because I am very much aware of the importance of our parks and recreation programs to the quality of life in San Francisco.

We maintained funding so City swimming pools could continue to operate at FY79-80 service levels. We did the same for the Tiny Tots and Senior programs. We provided an additional \$225,000 to help pay for operating recreational centers. I am also providing funds for part-time, as needed, workers to run summer recreational programs.

The San Francisco Zoo will be funded at the 1979-1980 level, and Federal funds will supplement local money to maintain two major new exhibits--the musk oxen exhibit which opened last week and the gorilla world exhibit which is scheduled to open in two months.

Among parks, top priority is going to those that are used the most, which means Golden Gate Park is number one. We will maintain our staff there and, with substantial help from the

Urban Parks Program and the new private-public partnership experiment called "Share 80," we are confident we can maintain the quality of our most highly used parks.

There will be some diminution in the maintenance schedules for the passive and smaller parks, but we are funding a new roving maintenance crew to service them all, including mini parks.

I have continued the Recreation Center for Handicapped at the highest funding level so it will be eligible for major Federal matching money.

Our Fine Arts Museums will be laying off 11 people, and go on a six-day week, beginning in July. In October, after the major tourist season, they will go to a five-day week, like most major museums throughout the nation. That will cut down on overtime, and it will give the staff extra time to clean, to hang new exhibits, and to catch up on record keeping.

War Memorial: With the cooperation of the private sector we are providing for the successful opening of Davies Hall. ~~Six~~ new positions have been approved.

Libraries. No library will be closed. However, there will be scheduling changes.

We will create two new regional centers--one in the Western Addition library and the other at the Waden Branch on Third Street. They will have improved collections and more research facilities, like the five other regional centers in the City.

Six branch libraries now in store fronts will be reclassified as reading centers, with emphasis on student-oriented and popular collections. They will remain in the same locations.

The main library at Civic Center will operate on a shorter work week--it will be open 57 hours a week instead of 63. And four branches will be paired--that is, their hours will be shortened, but when one is closed the other, nearby, will be open. The four are Anza, Bernal, Golden Gate Valley and Potrero.

The business community, through the Chamber of Commerce, is being asked to pay rent for the downtown business library.

Altogether, there will be four layoffs in the library department, and nine positions that are now vacant will be eliminated.

Commission on the Status of Women. We will eliminate two of the three positions on the Commission on the Status of Women--that of director and assistant director. The Commission will retain its status but its staff will be supervised by the Human Rights Commission director, and we are recommending that it share offices at the Human Rights Commission--again to save funds.

Commission on Aging. Funding from the 5% parking tax levy will be used to pay overhead costs of the Commission on Aging, which will no longer have to depend on the general fund for support.

In other general fund departments there will be relatively little change. Civil Service will have six layoffs, but I am assured the Department will be able to meet its prime obligations, as well as the Office of Revenue Sharing and court-mandated responsibilities.

There will be no layoffs in City Planning, but the budget will not allow for filling a new housing specialist and a planner for neighborhood commercial districts.

Among administrative departments of city government, the Mayor's Office and the Chief Administrators Office show substantial cuts in dollar amounts. The Mayor's Office is down \$355,554 (13.3%) to a figure of \$2.3 million. Of 39 positions authorized in the current budget, five will be eliminated, and only 31 are funded. The CAO cut his budget by 21.5%.

Publicity and Advertising Fund. The publicity and advertising fund is being cut from the requested \$3.6-million to \$3-million. I regret the necessity for doing this, but there are not sufficient funds to support the activity at its present level. I call upon all those interested to give generously to help support these cultural activities.

In almost every category, we will maintain service levels, and spending programs, when discounted for inflation, at close to 95% of last year's levels. When and if money becomes

available later in the year, I pledge to restore these funds to the extent possible.

Special Fund and Enterprise Programs

Although they are not self-supporting, Muni and the General Hospital are included in this category along with such obvious enterprise activities as the Airport, the Port, Hetch Hetchy and the Water Department. For narrative clarity, I am including the entire Health operation, which had a high priority in my budget consideration, in this category.

Health Department. There will be one layoff in the administrator's office in the Health Department. Emergency Medical Services will be maintained at current levels. We will be buying two additional ambulances, paid for by fees, and bringing our strength up to 14 operating vehicles--the fully authorized strength. We are also participating in a pro bono study designed to improve the maintenance of our ambulances and keep them operating at full strength. Eight positions in our labs will not be funded, and some will be combined for greater efficiency. I have authorized three new clerical positions to replace CETA workers and keep the issuance of birth and death certificates current.

Laguna Honda Hospital improved its management and revenue collection procedures markedly. Increased revenues total some \$3-million, largely through better bill collection procedures. To comply with State and Federal standards, and to be assured of accreditation, we are adding 23 people to the hospital payroll--12 from public works and 11 for the hospital's engineering department. In the past, these services were obtained on a "work order" basis.

Clarendon Hall, which will provide us with 172 new long term care beds, will be open on January 1, 1981. I have asked the department to begin recruiting staff. In addition we are negotiating with State and Federal authorities to increase our reimbursement rate by \$27 per patient day. However, this money cannot be assured at this time.

San Francisco General Hospital is funded to include 12 new staff positions. Nine are for new jail medical services, mandated by the courts, and three are for financial management positions



in keeping with my concern that our agencies be fiscally responsible and efficiently managed.

Our Health Centers will have no layoffs, and will operate at present levels. To accomplish this, the administrative staffs of Health Centers 1 and 3, and Health Centers 2 and 4, will be combined.

Our Community Mental Health Services have adopted program budgets, and they will have eight additional administrative staff in keeping with court mandates and paid for by State and Federal funds.

Municipal Railway. The funding levels recommended for Muni reflect my concern that in return for the substantial recent fare increase, San Franciscans must receive more and better service.

This budget provides for some administrative changes in Muni management, designed to improve operations, end bunching, improve maintenance, and enhance service. It should be pointed out that these changes were substantially modified by this office.

The fare increase for Muni, combined with increased State aid, will bring in an estimated \$33.3-million more this year than last. Muni's dependence on tax subsidies will actually decline substantially.

The Muni operating and capital budget, as adopted for 79/80, was \$108-million, which compares to \$122.3-million (exclusive of provisions for later wage increases) for 1980/81. This is an indicated increase of \$14.3-million. However, your Board provided substantial funds to Muni throughout the year to prepare for Muni metro. Thus, the current year's actual spending will be approximately \$120.8-million. Thus, there is a real increase (before salary adjustments) of only \$1.5-million.

It is significant to note that the general fund support for Muni will decline appreciably:

Internally	1980/81	1979/80
Generated Revenue	94.6 (77.3%)	54.8 (50%)
Tax Support	<u>27.7 (22.7%)</u>	<u>53.2 (50%)</u>
	122.3 (100%)	108.0 (100%)

(Figures exclude provision
for 80/81 salary)

At the recommended funding level, the railway will be able to maintain existing transit schedules and to continue recent service additions achieved through more efficient use of operator time. Moreover, we will be able to institute new programs that should significantly improve the quality of public transit in San Francisco.

The new programs, and the new positions, are as follows:

	<u>New Position</u>	<u>New Cost</u>
1) Improved control over field operations to decrease bunching.	46	\$1,451,000
2) Improved operator training & monitoring for safer driving, fewer accidents, & reduced passenger claims.	7	367,000
3) Expansion of LRV Metro service to all streetcar lines, effective January, 1980.	48	640,000
4) Increased vehicle maintenance standards.	14	390,000
5) Improved maintenance of ways, increased employee supervision on cable car tracks and machinery.	4	103,000
6) Improved maintenance and custodial care of buildings & grounds (non Metro)	25	717,000
TOTALS	144	\$3,668,000

The general office of the Public Utilities Department is being reorganized in accordance with the recommendations of two outside studies, both designed to improve management efficiency

and financial accountability. Both studies reported gross deficiencies.

This reorganization, begun in FY 79/80, will be completed through funding made available in this budget. It will require a net increase of four positions. It will enhance the grant application ability for Federal and State subventions and the audit capacity required to control those grants. It will create a budget bureau, the procurement section will be enlarged, and procedures and accounting will be improved.

With the full approval of the Civil Service Department, the PUC will set up its own examination and classification service, a craft apprenticeship program to teach such skills as cable splicing, and a division to handle grievance cases.

I am going into some detail on this budget because I believe that it is critical if we are to improve our efficiency, eliminate waste, and provide better services, that we make necessary management changes.

We are increasing our emergency reserve fund by \$7-million. This also is prudent fiscal practice.

Finally, this week I learned of a Board of Supervisors' memorandum of understanding (attached) that has not yet been approved by the Board, and was not contemplated when the budget was drawn up. It would cost some \$3-million to implement. It must be pointed out that these monies are not included in this budget.

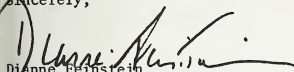
The budget message highlights changes and programs contemplated for the current fiscal year.

The budget is a carefully prepared and frugal document. There is little luxury in our spending programs, but they do provide for essential city services.

The emphasis throughout is on maintaining those services we provide for San Franciscans, and on performing those services in the least costly, most effective, and most humane manner possible.

We can continue to accomplish our goals, and live within the twin mandates of Propositions 13 and 4, with the help of a dedicated work force, the leadership of a skilled management corps, and the cooperation of your Board of Supervisors and the people of San Francisco.

Sincerely,


Dianne Feinstein
Mayor

DF:MW:jc

Enclosures

1980/81 EXPENDITURE BUDGET SUMMARY

	<u>1980/81</u> <u>Proposed</u>	<u>1979/80</u> <u>Budgeted</u>
<u>General Fund Spending:</u>	\$648,283,340 (1)	\$625,400,601 (2)
<u>General Fund Reserves:</u>		
Retroactive Pay:	12,176,097	16,968,974
Tax Delinquency:	1,200,000	2,200,000
Emergency and Other:	<u>7,153,525</u>	<u>7,147,521</u>
TOTAL GENERAL FUND	<u>\$668,812,962</u>	<u>\$651,717,096</u> (+17,095,866)
<u>Special Fund Spending:</u>		
Port	20,531,513	18,510,040
Airport	105,157,662 (3)	70,648,376 (3)
Water Dept.	32,018,558 (3)	26,747,497 (3)
Hetch Hetchy	32,945,776 (3)	23,166,834 (3)
Candlestick Park	3,197,657	2,693,921
Yacht Harbor	851,513	404,800
Yerba Buena Center	14,028,492	11,839,610
Wastewater	49,190,045	41,150,636
Misc. Special Funds	549,196	550,000 (Estimate)
Hospital Operating Fund \$73,318,411		
less G/F Subvention (<u>33,934,831</u>)	39,383,580	32,800,251
Muni Operating Fund \$129,324,814		
less G/F Subsidy (<u>34,669,814</u>)	94,655,000	54,791,000
Bond Interest and		
Redemption Fund	<u>25,927,755</u>	<u>26,886,866</u>
TOTAL SPECIAL FUND	<u>\$418,436,747</u>	<u>\$310,189,831</u> (+ 108,246,916)

(1) Includes Family Support Bureau (\$3,445,713); Contribution to Muni Operating Deficit (\$34,669,814); SF General Hospital Operating Deficit (\$33,994,831); Gas and Road Fund (\$15,195,367); Publicity and Advertising Fund (\$3,000,000); and Open Space Fund (\$4,030,330) and provision for Salary Standardization (\$18,875,000)

(2) Includes all funds included in 1980/81 totals for comparison purposes

(3) Excludes inter-fund Transfers in Water, Hetch Hetchy and Airport

REVENUE SUMMARY

SOURCES OF FUNDS FOR 1980/81 BUDGET

SCHEDULE 1: REVENUES TO SUPPORT GENERAL FUND ACTIVITIES

	<u>Estimate</u> <u>1980/81</u>	<u>Budget</u> <u>1979/80</u>	<u>Change</u>
Departmental Fees and Charges	\$ 21,258,041	\$ 14,720,948	+\$ 6,537,093
Health Dept. Revenue	70,959,637	61,756,310	+ 9,203,327
Social Services Subventions	117,831,341	108,564,025	+ 9,267,316
Family Support Bureau	3,486,998	2,717,000	+ 769,998
Property Taxes	155,000,000	148,190,348	+ 6,809,652
Payroll/Gross Receipts Tax	46,400,000	44,600,000	+ 1,800,000
Utility Tax	18,000,000	19,500,000	- (1,500,000)
Sales Tax	50,000,000	45,000,000	+ 5,000,000
All Other Taxes and Subventions	74,072,611	74,546,621	- (474,010)
Traffic Fines Fund	28,053,000	11,166,000	+ 16,887,000
Gas & Road Fund	16,205,200	19,182,235	- (2,977,035)
Hotel Taxes	13,796,134	7,543,609	+ 6,252,525
Equity Transfers	11,100,000	9,000,000	+ 2,100,000
Revenue Sharing Fund	19,650,000	21,430,000	- (1,780,000)
Surplus from Prior Year	<u>23,000,000</u>	<u>63,800,000</u>	<u>- (40,800,000)</u>
TOTAL GENERAL FUND	<u>\$668,812,962</u>	<u>(1) \$651,717,096 (1)</u>	<u>+ 17,095,866</u>

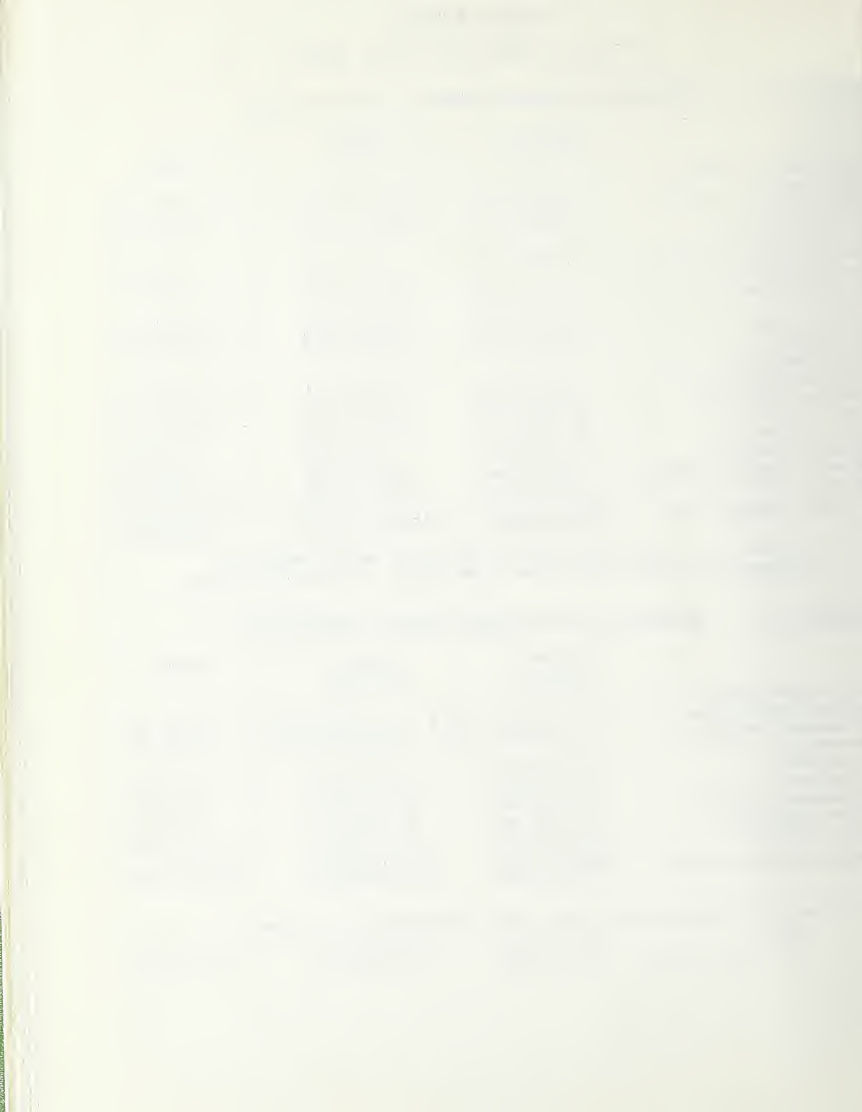
(1) Excludes revenues of SF General Hospital and SF Municipal Railway which are enterprise funds shown on Schedule 2 below.

SCHEDULE 2: REVENUES OF MAJOR PUBLIC SERVICE ENTERPRISES

	<u>Estimate</u> <u>1980/81</u>	<u>Budget</u> <u>1979/80</u>	<u>Change</u>
Muni Fares Federal & State Subventions	\$ 94,655,000 (2)	\$ 54,791,000 (2)	+ 39,864,000
SF General Hospital Revenue	39,383,580 (2)	32,800,251 (2)	+ 6,583,329
SF Airport	109,109,000	76,610,150	+ 32,498,850
SF Harbor	20,605,000	18,070,000	+ 2,535,000
Wastewater Program	49,190,045	41,360,000	+ 7,830,045
Water Department	42,025,000	42,685,000	- (660,000)
Hetch Hetchy	<u>30,200,000</u>	<u>23,188,000</u>	<u>+ 7,012,000</u>
MAJOR SPECIAL FUNDS	<u>\$385,167,625</u>	<u>\$289,504,401</u>	<u>+ 95,463,224</u>

(2) Excludes subventions from local tax sources as follows:

Muni	+34,669,807	\$ 53,259,111	- 18,589,304
SF General Hosp.	33,934,831	30,191,178	+ 3,743,653



EXPENDITURES BY MAJOR CITY SERVICE DEPARTMENTS

	1980/1981 Proposed	1979/1980 Budget	Differences in			
			General Fund		Special Fund	
			Dollars	Percent	Dollars	Percent
<u>Public Safety</u>						
District Attorney	\$ 5,282,545	\$ 4,542,243	\$ 740,302	(16.2)		
Public Defender	2,679,890	2,307,118	372,772	(16.2)		
Sheriff	12,614,920	10,976,845	1,638,075	(14.9)		
Superior Court	5,325,067	4,902,533	422,534	(8.6)		
Municipal Court	10,699,643	8,911,995	1,787,648	(20.0)		
Juvenile Court	7,913,689	7,510,308	403,381	(5.3)		
Adult Probation	2,918,800	2,704,126	214,674	(7.9)		
Police (1)	104,374,208	96,635,004	7,739,204	(8.0)		
Fire (1)	76,322,170	76,188,620	133,550	+/-		
<u>Transportation & Utilities</u>						
Airport (2)	105,157,662	70,648,376			34,509,286	(48.8)
Municipal Railway (1)	129,324,814	108,050,118	-(18,589,304)	-(34.9)	39,864,000	(81.7)
Port	20,531,513	18,510,040			2,021,473	(10.9)
Water & Hetchy (2)	64,964,334	49,914,331			14,841,941	(29.7)
<u>Health</u>						
Public Health	18,335,479	15,559,730	2,775,749	(17.8)		
Laguna Honda	28,814,721	26,085,611	2,729,110	(10.4)		
SFGH	73,318,411	62,991,429	3,743,653	(12.0)	6,583,329	(20.0)
CMHS	26,686,947	24,667,235	2,019,712	(11.4)		
Substance Abuse	4,098,988	2,938,392	1,160,596	(39.5)		
EMS	4,404,026	3,500,498	903,528	(25.8)		
<u>Recreation/Culture</u>						
Recreation/Park	24,891,501	21,584,273	2,356,160	(11.3)	951,068	(23.4)
Library	8,137,872	7,876,798	261,074	(3.3)		
Museums	2,494,094	2,473,448	20,646	(1.0)		
Open Space Program	4,030,330	1,900,000	2,130,330	(112.2)		
<u>Public Works</u>						
General Fund	10,343,463	10,271,444	72,019	(+/-)		
Gas & Road Fund	15,465,367	19,182,235	(3,716,868)	-(19.4)		
Wastewater	49,190,045	41,150,636			8,039,409	(19.7)
<u>Social Services</u>	139,225,501	130,354,590	8,870,911	(6.8)		
<u>Administrative</u>						
Board of Supervisors	2,353,931	1,805,983	547,948	(30.3)		
Mayor	2,301,689	2,657,243	(355,554)	-(13.3)		
CAO	335,291	421,802	(86,511)	-(21.5)		

(1) Includes provision for 1979/80 salary increases not yet included in Departmental Budgets

(2) Excludes Inter-fund Transfers



June 9, 1980

Mayor Dianne Feinstein
City and County of San Francisco

Dear Mayor Feinstein:

This is in reply to your inquiry concerning the position of this office regarding the revenues that may be derived from Propositions L and N.

Proposition L was a declaration of policy concerning the enactment of an ordinance under the authority of the State Public Utilities Code permitting the City to impose a tax of one cent on each gallon of gas sold in San Francisco. Since the Ordinance has not been enacted, we can not certify the availability of any of the funds. But, beyond that, it is our position that this may be considered a special tax requiring a two-thirds vote of the electors.

Proposition N is a Charter amendment which would permit the Board of Supervisors, by Ordinance, to obtain up to 25% of the airport income from non-airline sources. Again, since no ordinance has been passed, we can not certify the availability of the funds. In addition, until certain legal questions raised by the bond indenture and the airlines' law suit are resolved, we could not certify the availability of the funds.

Should you have any questions regarding this matter, do not hesitate to contact this office.

Very truly yours,

JOHN C. FARRELL

CONTROLLER

cc: Gilbert Boreman

Room 109, City Hall

San Francisco 94102



Superior Court of California
San Francisco

FREDERICK J. WHISMAN
EXECUTIVE OFFICER
CITY HALL 480
(415) 558-3169

MEMORANDUM

June 6, 1980

TO: Rudy Nothenberg, Executive Deputy
Fiscal & Programming Administration
Office of the Mayor

FROM: Frederick Whisman, Executive Officer
Superior Court

This afternoon I discussed your request concerning some reduction in the budget of the Superior Court with the Presiding Judge. It was explained that this request was over and above the amount of \$432,000 which the Court, by special resolution of the Judges, deleted from its capital expenditure budget after request from Mr. Eaton of your office.

The Presiding Judge pointed out that in addition to the fact that most of the Court's budget is mandated by state law and therefore not subject to discretionary cuts by the Judges, logistically it would be impossible to accomplish consideration by all the Judges and secure approval of any such request before June 11, 1980. For that reason we are unable to again assist your office in this regard.

FJW:ms

1 RATIFYING AGREEMENT BETWEEN SERVICE EMPLOYEES INTERNATIONAL UNION,
2 JOINT COUNCIL AND THE CITY AND COUNTY OF SAN FRANCISCO SETTLING
3 DISPUTE BETWEEN THE PARTIES ARISING FROM 1979-80 AND 1980-81 MOU
4 LANGUAGE RELATING TO BENEFITS FOR TEMPORARY EMPLOYEES.

5 WHEREAS, The City and County of San Francisco has entered into
6 an agreement with the Service Employees International Union, Joint
7 Council in March, 1979, said agreement being for a two year period
8 with an expiration date of June 30, 1981 and,

9 WHEREAS, The City and County in said MOU agreed to provide by
10 ordinance for health service benefits for temporary employees with
11 over five (5) years continuous service with the City and County if
12 said ordinance could be passed by the Board of Supervisors and,

13 WHEREAS, When the issue was discussed with the Board of
14 Supervisors after presentation to that body, there were not sufficient
15 votes to adopt such a plan for the reason that nine (9) votes were
16 necessary for adoption of the plan whereas only a majority or six (6)
17 votes were necessary to enter into the agreement and,

18 WHEREAS, Meeting and conferring on this subject subsequently
19 took place between the Service Employees International Union, Joint
20 Council and the City and County in an effort to arrive at a
21 compromise settlement on this matter and,

22 WHEREAS, The Board of Supervisors, in executive session on
23 May 5, 1980, authorized its Chief Labor Negotiator to accept a
24 Service Employees International Union, Joint Council proposal as
25 orally modified and as more fully set forth in a letter from the
26 Chief Labor Negotiator of the Board of Supervisors to Vince Courtney,
27 dated May 8, 1980, a copy of which is on file in the office of the
28 Board of Supervisors in File No. 106-79-11 and is incorporated
29 herein by reference and,
30

1 WHEREAS, Said agreement has been executed by the appropriate
2 officers of the Service Employees International Union Joint Council;
3 now, therefore be it

4 RESOLVED, That the Board of Supervisors does hereby ratify
5 the above referred to agreement previously entered into by the
6 Chief Labor Negotiator for the City and County on behalf of the
7 Board of Supervisors.
8
9

10 APPROVED AS TO FORM:

11 GEORGE AGNOST
12 City Attorney
13

14 By _____
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AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

Employee Relations Division

May 8, 1980

Vince Courtney
Chairman
SEIU Joint Council
Local 400, Civil Service Association
240 Golden Gate Avenue, Room 535
San Francisco, CA 94102

RECEIVED
MAY 9 3 1980
CSA Local 400

SUBJECT: Acceptance by the San Francisco Board of
Supervisors of the SEIU Joint Council's
Amended Proposal Relating to Health
Benefits for Temporary Employees

Dear Mr. Courtney:

This letter, when properly executed by the appropriate individuals, will memorialize an agreement reached between the parties relating to the above referenced subject.

The Board of Supervisors accepts the proposal submitted by the Union dated March 21, 1980, in a letter addressed to Milton Mares, Employee Relations Division, with amendments orally submitted on May 1, 1980, resulting in the following proposal:

The Board of Supervisors agrees to comply with the language set forth below upon the condition that a proposition on the California State ballot designated Proposition "9" fails adoption by the voters in the June 3, 1980, election. In the event Proposition "9" is adopted by the voters in the June 3, 1980, election this particular agreement shall be rendered null and void and the parties shall revert to their respective positions with regard to rights and obligations as they were in, prior to the execution of this agreement.

Subject to the budgetary and fiscal provisions of the Charter, the Board of Supervisors agrees to fund in the

May 8, 1980

Vince Courtney, Chairman
SEIU Joint Council

SUBJECT: Acceptance by the San Francisco Board of
Supervisors of the SEIU Joint Council's
Amended Proposal Relating to Health
Benefits for Temporary Employees

1980-81 City budget a total of \$3,000,000 to City departments to provide health service benefits to temporary employees or to pay like-work for like-pay claims to workers under conditions set forth below.

The \$3,000,000 sum shall be divided proportionally between departments employing temporary workers who are not currently receiving health service payments. The amount each such department shall receive shall be proportional to the number of such temporary employees on the departmental payroll as of the date the Mayor submits departmental budgets to the Finance Committee of the Board of Supervisors to the number of such temporary employees on the payroll city-wide on that date. (Example: A department having 5% of such temporary employments shall receive 5% of the \$3,000,000.)

The budget line shall provide that the proportionate amount described above shall be expended by the department without further action by the Board of Supervisors as follows:

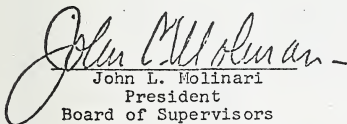
- 1) In the event Proposition "H" separating eligibility for the retirement system from eligibility for the health service system is enacted, these funds shall be expended first to provide health service benefits to such employees and second, in the event there is a remaining balance or in the event temporary employees are reduced or eliminated due to layoff, for payment of like-pay for like-work claims of workers in the department or for other lawful purposes upon mutual agreement of the SEIU Joint Council and the department in question.
- 2) In the event Proposition "H" separating retirement and health service eligibility is not enacted, the entire amount shall be expended for payment of like-work for like-pay claims within the department or for other lawful purposes upon mutual agreement of the SEIU Joint Council and the department in question.

May 8, 1980

Vince Courtney, Chairman
SEIU Joint Council

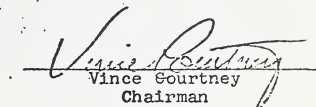
SUBJECT: Acceptance by the San Francisco Board of
Supervisors of the SEIU Joint Council's
Amended Proposal Relating to Health
Benefits for Temporary Employees

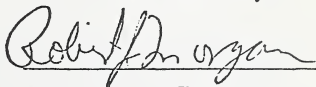
FOR THE CITY AND COUNTY
OF SAN FRANCISCO

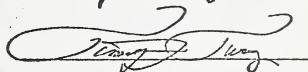

John L. Molinari
President
Board of Supervisors


Milton H. Mares
Chief Labor Negotiator

FOR THE SEIU JOINT COUNCIL


Vince Courtney
Chairman


Robert Morgan


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Budget Message

June 1, 1981

Honorable John L. Molinari, President
Members, Board of Supervisors
235 City Hall
San Francisco, California 94102

DOCUMENTS DEPT.

JUN 1 1981

SAN FRANCISCO
PUBLIC LIBRARY

Dear Supervisor Molinari and Members of the Board:

San Francisco continues in the forefront of American cities by maintaining critical services within a balanced budget. A recent Congressional study of cities of more than 250,000 population shows many on the brink of collapse, with large deficits and reduced services. Although cuts have been made in most city departments, vital services will be maintained in San Francisco. Despite inflation, mandatory spending limits and cutbacks, the City will keep police on the streets, the MUNI operating, fire stations, libraries and health facilities open, streets swept and parks maintained. The 1981-82 budget, submitted herewith, is balanced and sets forth my priorities in the spirit of our City, our citizens and the time.

The budget allows for expansion only of the Police Department, indispensable if crime is to be curbed, and the Municipal Railway, essential to working men and women throughout the City. Elsewhere, the line is firmly held. But nowhere does the proposed budget decrease those services which the people of this city have, in election after election, demonstrated they want sustained as part of a progressive and vibrant community.

The ability to stretch precious dollars to preserve essential programs becomes increasingly difficult each year. Inexorable forces impinge on this city's and on all other cities' ability to survive. Inflation erodes buying power for city budgets as well as personal budgets. The apparent inability of the State Government to make good it's promised bail-out of local government continues to threaten the City's ability to meet it's day-to-day obligation to keep libraries open, parks beautiful and streets safe and clean. (In terms of buying power, our budget, when contrasted to pre-Proposition 13 budgets, is significantly reduced.)

Overall, spending for 1981-82 is projected at \$1,178,461,077. This compares to budgeted spending of \$1,067,128,730 and actual spending of approximately \$1.082 billion for the current fiscal year. The increase in budgeted spending will be \$111,332,347 - the smallest, despite all the many pressures, of the past three years.

78/79 to 79/80	Increase	\$131,610
79/80 to 80/81	Increase	\$147,592
80/81 to 81/82	Increase	\$111,332

The largest single component of that increase is charter-mandated salary standardization which, along with the associated negotiations, will cost us some \$60 million this year. The Department of Social Services increases by \$19.5 million, mostly Federal/State dollars. We act as a disbursing agent for Federal/State programs and these amounts necessarily appear in our budget. Another large increase reflects our decision to charge Special and Enterprise funds the full cost of Hetch Hetchy power this year. That decision, along with a huge increase in the price of natural gas, has sent the Light, Heat & Power budget up to \$31.2 million from \$15.2 million last year. All but \$7.8 million of that is charged to these Enterprise/Special funds. Other major changes will be discussed as I explain this budget in more detail in this transmittal.

Last year many of you joined with me in a campaign to generate sufficient new revenues to keep our City services from deteriorating. We fought that battle at the ballot box and in these chambers. The continuing benefits of these decisions, combined with a fortuitous, one-time surplus of some \$30.0 million, gleaned by the City's new computerized accounting system from a myriad of old accounts and dormant sources, will permit us to assure the people of the City that their services will not be drastically reduced this year.

In order to make that assurance, we have had to provide for the cost of mandated and negotiated salary standardization totaling some \$60.0 million, to absorb inflationary cost increases of 11.4% for the materials and services we buy, and compensate for the loss of some 1,100 CETA jobs and some 308 City jobs in one year. I am very proud of the fact that we can absorb these losses and non-discretionary cost increases and yet prevent, at least for one more year, a slide into the kind of public services crisis which confronts so many other major cities. Much of the credit for this belongs to your honorable Board and I hope you will share my sense of relief that we will be able to maintain ourselves without major further service reductions for another year.

Unlike those earlier days in which an open-ended tax rate was available to balance the budget after expenditures had been approved by you, the closed-end, post-Proposition 13 era has made revenue estimation and generation an essential addition to our budget process. It is therefore appropriate to discuss our revenue situation in some detail.

As shown in Table I, General Fund Resources will increase by some \$82.9 million for 1981/82.

Table I
General Fund Resources
(000 Omitted)

	<u>1980/81</u>	<u>1981/82</u>	<u>Change</u>
1) Departmental Fees-For-Services and State/Federal Subventions for Departmental Services	\$212,473*	\$249,265*	+ \$36,792
2) General Tax Revenues	411,869	433,895	+ 22,026
3) Surplus	<u>22,655</u>	<u>46,796</u>	<u>+ 24,141</u>
General Fund	<u>\$646,997</u>	<u>\$729,956</u>	<u>\$82,959</u>

*Excludes Muni and SFGH which are Public Service Enterprise Funds.

These revenue figures reveal a disturbing fact, one which I have previously called to your attention, and which I call to your attention again. It is that our General Fund's General Revenues, showing an increase of \$22.0 million, are increasing at a far slower pace than our costs. The fact that we are able to keep City services functioning is attributable to the fee-for-service efforts of our departments, to built-in cost-of-living escalators in Federal/State subventions and, importantly, to our having at our disposal a \$30 million surplus, a result of our conversion to a fully automated accounting system and the closing out of all old accounts that accompanied that conversion.

Some words of caution are necessary. The ability to push fees upwards has its own limits and imposes its own obligations:

1. We are limited in that much like any private enterprise we cannot price ourselves out of the market.

We are probably at or near the top of our fee revenue raising potential this year.

2. Having come to depend on the sale of services in many departments, we are obliged to maintain a high level of performance to satisfy those users who are paying the fees.

In those Departments where we have become significantly fee dependent (Recreation and Park, MUNI, Planning, Building Inspection, etc.), this budget proposes a level of services which should maintain the confidence and meet the expectations of our customers and clients.

Two of our biggest spending departments, which together employ 6,153 civil servants are almost completely subvented by service fees and by State and Federal payments which cannot be used for other purposes:

	<u>Budgeted Expenditures</u>	<u>Budgeted Fees/Subventions</u>	<u>%</u>
Social Services	\$157,539	\$131,111	(83.5%)
Public Health	174,405	128,300	(74.0%)

This too carries with it an obligation. It is apparent that acceptance of these funds requires adherence to State/Federal staffing requirements and standards of performance. Our options with regard to these services are thus limited. This dependence is something I do not like. However, our budget recognizes and adheres to these requirements. This dependence is particularly dangerous at a time when State and Federal dollars are threatened and, as demonstrated by Table I, our own resources are not able to cover our own cost increases, much less substitute for disappearing State or Federal dollars.

Having mentioned State/Federal subventions, two major areas of uncertainty which we faced in putting this budget together must be acknowledged. The first is the State budget, the second is the Federal budget and program cut-backs being proposed:

1. With regard to the State, this budget contemplates the loss of some \$24.5 million dollars as a result of reductions in the State bail-out and contemplates no usage of the unsecured tax roll collections which we have held in escrow for three years.

It is our very firm opinion, that some considerable loss of bail out revenues will occur this year. Whether it will be in precisely the amount anticipated or occur in the manner anticipated (a loss of real property taxes for the schools) is imponderable at this writing. We have in any event done the prudent thing by not anticipating these funds. Decisions made late in Sacramento can thus be reflected in the final ordinances later this year.

2. With regard to Federal subventions, we have been unable to reflect with any precision decisions yet to be made in Washington in our budget. The two departments most immediately affected are Health and Social Services which, as I indicated earlier, are 74% to 80% subvented by threatened Federal funds. Our ability to substitute local funds for any Federal reductions is virtually zero. Thus any Federal cutbacks that may occur after our budget is adopted will require a modification of the appropriation ordinance at that time, preceeded by an immediate action on the part of the Controller to reserve funds and reduce the rate of spending by these departments.

Unlike the State proposal which primarily affects our unallocated General Fund resources and thus allows us to anticipate the loss and spread it over the City departments generally, the Federal threat is to specific programs with existing client caseloads, which we cannot summarily cut-off in anticipation of yet unspecified actions by Washington.

Thus, we have dealt with one major area of uncertainty and find ourselves unable to deal with the other at this early time.

Before leaving the Revenue side, we should briefly discuss our Private Enterprise and Special Funds which are designed to be self supporting and, with the notable exception of the Municipal Railway and the County Hospital, either fully recover or more than recover their costs. It is a remarkable fact that these enterprises and special funds (which include the MUNI and SF General Hospital) now account for fully 46% of our total expenditures.

Table II

General Fund Resources (Table I)	\$ 729,956	
Less Subventions to Muni & Hospital	<u>(93,234)</u>	*
Net General Fund Spending	\$ 636,722	(54%)
Net Enterprise & Special Fund Spending	<u>541,739</u>	(46%)
Budget Total	<u>\$1,178,461</u>	(100%)

* Includes provision for salary standardization.

I should like now to turn to our expenditures. Analyses of governmental spending patterns and much of the public discourse on the budget is based on comparisons of spending from year to year. Like all comparisons these are informative only when one compares like for like, apples with other apples rather than the proverbial apples and oranges. In budgeting terms this means that one must compare year to year spending in dollars of the same "size" or purchasing power. This is the now common practice of restating current dollars into "common" or "constant" dollars in order to eliminate the effect of inflation and to show the real changes in spending or real growth. When we restate San Francisco's Budgets into common dollars using the popularly used CPI index, some very interesting and disturbing patterns are revealed:

TABLE III
EIGHT YEAR COMPARISON OF SAN FRANCISCO BUDGETS
(RESTATED INTO CONSTANT DOLLARS)
WITH 1974/75 USED AS BASE YEAR (1.0. 100)

	Total Budget Current \$		Total Budget Constant \$		MUNI	SFGH	Public Protection	All Other G/F	Other PSE & S/F
74/5	\$ 662,980	100.0	662,980	100.0	100.0	100.0	100.0	100.0	100.0
75/6	726,674	109.6	674,095	101.6	96.1	108.3	107.3	104.7	92.7
76/7	768,636	115.9	670,128	101.1	92.4	108.7	112.2	102.1	91.6
77/8	828,731*	125.0	674,313	101.7	92.6	118.7	105.6	100.2	101.1
78/9	787,926	118.4	587,128	88.5	86.6	111.2	101.2	80.6	85.8
79/8	919,536	138.7	596,327	89.9	91.1	108.6	103.5	71.8	95.8
80/1	1,057,273*	159.5	615,767	92.8	101.0	117.0	98.3	73.4	110.4
81/2	1,177,261*	177.5	615,722	92.8	104.0	114.0	100.3**	75.2	106.2

*Excludes budgeted reserves.

**Including Emergency Supplemental.

As now becomes evident, while the budget in current dollars has grown in these eight years, the budget in real dollar terms has shrunk to 92.8% of what we were spending in 1975-76. What is particularly noteworthy about that is that different components of the budget have, in accord with our priorities, been either protected from that shrinkage or have suffered disproportionate losses in spending power. Thus, Public Protection and the MUNI has been fully protected; the hospital, in recognition of the fact that medical cost increase at a rate faster than the cost of living generally, has seen real growth. Public Service Enterprises have experienced real growth while the balance of the wholly general funded departments have suffered a loss of a full 24.8% in real spendable dollars.

Another way to look at expenditures is to examine City employments, and I can report to you that City positions are significantly reduced for the second year in a row.

We are in the second year of an effort to reduce city positions. Exemptions from that effort are few. They are: first uniformed police; second, MUNI and PUC employments designed to improve MUNI service; and third, and on a limited basis, employments for those "fee-for-service" departments where a level of service commensurate with the fee paid must be delivered. Even in these latter departments we have been tightening up and positions in these departments are reduced this year as well. The major position reductions will show in the administrative departments and in those service departments which are totally dependent on the General Fund.

TABLE IV

AUTHORIZED POSITION CHANGES 1980-81 TO 1981-82

Police - Uniformed	+91
MUNI/PUC	+33
Planning Department	+ 9
Courts	+ 7*
Water Pollution Control	+12
All Other	-460
CETA (Estimate)	-1,100

*Courts do not submit their budget to the Mayor.

A more detailed schedule is attached hereto as an attachment. I should point out however, that these summary figures are net figures on a department-wide basis. There are, with our concurrence, many hundreds of changes in classifications and substitutions of job classes within departments and between different units of the same department. We have generally encouraged these where the changes produce a more efficient mix of skills, where they save money or are needed to reflect changes in operating conditions. In all cases except as mentioned below, these switches have resulted in a net loss of positions on a departmental basis.

The Board should know why we are allowing certain departments to increase employments while most others are forced to do with fewer. It is in every case a carefully deliberated decision. I would like to cover each of these situations in detail:

POLICE: (Net Gain of 4 positions, add 91 Uniformed, delete 87 Civilian)

My absolute top priority is to increase the Police presence on the street. We therefore have authorized 1,971 Uniformed positions, enough to satisfy the demands of the consent decree. We have provided sufficient funds to keep the Academy going at full strength every day of the year. If the rate of attrition is less than expected, we have a chance of meeting our goal of 1971 uniformed men and women on duty by the end of 1981-82. If attrition reaches to the 192 officers which we believe is the maximum, we will nonetheless be graduating 224 new officers this year and thus we will see an increase of at least 32 (and up to 68) uniformed officers on the street this year.

We will also see more uniformed and plainclothes officers on the MUNI. This budget ends the MUNI Transit Guard program and substitutes enough funds to put an equivalent of 50 sworn officers (in addition to the 13 already assigned) on the MUNI detail. We anticipate 90,000 sworn patrol hours on MUNI vehicles and anticipate making 7,300 arrests, compared to a total of 1,000 arrests anticipated for all of 1980-81. We are continuing the vehicle replacement program this year (50 marked, 55 unmarked) as well as replacing 117 PIC radios. We have targeted a reduced "A" call response time at Northern, Richmond and Ingleside Stations and have set a goal of a further 3.3% reduction in street crime, on top of the 3.0% reduction set as an objective for 1980-81 which we have every indication we will meet.

MUNI/PUC: (Net gain 33 Positions)

We struggled long and hard with the MUNI/PUC budget. No one public service touches on the lives of so many of our people as often and as directly as the MUNI. Last year we substantially increased the fare, with an explicit guarantee that services would improve. They have, and we want to protect and build on that improvement. Accordingly, we have funded the same number of operator hours (adjusted for the targeted increase in the driving hour ratio to 85% from 83%) as were provided for 1980-81. We have, in addition, funded 24 positions for a continuation of the Transit Line Coordinator program, albeit only for the those major lines not already covered by this program, rather than the whole system as requested. We believe that training of operators and supervisors is a key to better service and to claims reduction and, therefore, are providing 7 new training instructors. The investment in maintenance personnel made in the last two years is now paying off in terms of greater vehicle availability and reduced road calls on all modes. While not as serious as in 1978-79, Diesels remain a problem. We are accordingly providing 6 additional positions to the Equipment Maintenance Division. We are providing 3 positions to the Facilities Maintenance Division all of them connected to Metro Station and Signal System Maintenance. In the Central Office, we are funding 4 positions to continue the provision of a classification/testing personnel unit within PUC and one added position in the Financial Management area to handle what we hope will continue to be a flow of capital grant projects from Washington, most particularly for the reconstruction of our Cable Car System (These authorizations are partially offset by other position deletions). Elsewhere in the budget we are also providing the funds necessary to complete the electrification of the 55 line.

Other Departments which have a significant increase in employments again reflect my priorities:

DEPARTMENT OF PLANNING: (Net Gain 9 Positions)

The Planning Department raised its fee structure sufficiently to fund nine new employments. These will be assigned to the Project Review program where we have set performance objectives requiring that the average time to process an EIR be reduced from 455 to the statutory 365 days, and that condo subdivision processing time be cut by 1/3 and preliminary negative declaration processing time be cut by 50%. If these performance objectives are met, the earlier addition of completed construction to the tax rolls will generate far more each year than the payrolls involved, to say nothing of the fact that a major irritant to builders and developers will be removed. Other new staff will be assigned to the Code Compliance program where we have established performance objectives which would require that 90% of code violation complaints be investigated within 7 days and that 75% of the violation cases be completed in 40 days. Only 5% of cases meet these goals today. The new staff time will also be devoted to developing the new housing program I announced in March of this year.

WATER POLLUTION CONTROL (12 Positions)

The Cleanwater program is obviously dependent on continued Federal/State funds if we are to build the later stages of the plan. There is some uncertainty as to this, as we all know. We have, however, providently built the system so that individual portions of it can function as they are completed. We expect that the South East plant will come on line during the fiscal year. We are authorizing a net of 12 new positions for the new plant but providing only enough funds to phase these in as the year progresses.

With regard to the Sewer Program, I am delighted, at this time, to advise you that this budget will not require any increase in the sewer service charge this year. Surpluses in the Fund (\$5.1 million) combined with very substantial interest earnings, which the City Attorney confirm may be used for current expenses, bring a welcome respite from the continuous round of increases we have experienced in this onerous fee.



STREET CLEANING

A sure sign of deteriorating City services are filthy and unkempt streets. I have made a special effort to assure that our streets are kept as clean and litter-free as this windy city allows. The fact that our streets do look good is in large measure attributable to the crews of CETA funded street sweepers who have supplemented our regular city crews. These CETA men and women will be lost to us this year. I am determined not to let that result in an unattractive urban landscape. Accordingly, we have provided better than \$1 million to the Department of Public Works to employ full and part-time street sweepers, purchasing sufficient hours to maintain the level of street cleanliness we have achieved this year. We are also providing for the conversion to three new mechanical street-sweeping areas. There are sufficient vacant positions and position deletions to allow for this without an increase in net positions in the department.

THE CONTROLLER

It is appropriate to mention the personnel situation in the Controller's Office. Due to the elimination of numerous vacant positions in the EDP Division, the department as a whole shows a reduction. This should not be misconstrued. The major and highly desirable reorganization and strengthening of the Controller's Office will continue. We now have our new accounting system firmly in place and the time has come to capitalize on it. It is our intention to publish Comprehensive Financial Statements in accord with Governmental Accounting and Financial Reporting Standards for the first time in the City's history. Our newly created Audit Committee has assisted in the selection of whole new teams of independent auditors. One of our objectives is to have our audited financial statements published in a reasonable time of six months after year-end. The City will submit its financial statements to the Municipal Finance Officers of America and apply to join those selected few cities which have achieved a "Certificate of Conformance". Should we be certified, it would put us at the forefront of the well managed cities in the country with respect to our accounting and financial reporting requirements. We have indeed come a very long way in a few short years.

There are three other departments which I wish to mention before closing. They are the always sensitive Fire Department, Library System and the Department of Public Health.

FIRE DEPARTMENT

I am convinced that we have authorized enough firefighting strength to meet our needs. I am convinced also that the men of the Fire Department assigned to the suppression duties are dedicated to their life-saving roles. I believe that we should not further reduce the level of personnel committed to suppression and accordingly we are funding a full class of the fighters starting immediately after the start of the fiscal year. The question of station location and personnel assignments continues to be a matter of concern to me. The Commission has, with my approval contracted with Public Technology, Inc. for a station siting study. This will be completed during the year and guide our budget deliberations in the future. The Commission has undertaken a careful study, involving all parties concerned, to determine which positions other than in the suppression program can be civilianized. The purpose of any such steps would be to free H-2's and other ranks now desk-bound to the stations. We have every reason to believe that certain such changes can agreeably be made.

PUBLIC LIBRARY

San Franciscans care deeply about Library services. I share that concern. The current financing crisis of the library must be understood to have its roots not so much in the general fund constraints we have had to impose on all City departments as in the very large number of CETA employees whom the Library is losing. These men and women have supplemented the regular library staff and have made it possible for us to offer the currently available level of services. All of that CETA staff will be lost to us. The cost of replacing these employees with City funded positions on a permanent basis is impossible for us to assume. It is also not clear to me, or to the Commission or to library management that the present configuration of hours and locations is best designed to provide effective lending and reference services to those who use the system. We tend to cling to what we know because it is comforting; we protect what we are familiar with even though it is entirely likely that change may improve, and improve significantly, the library services that we can offer even as we save considerable sum of dollars doing it. It is possible to believe that collections can be strengthened, that more professional librarian hours can be made available, that neglected populations such as the vision impaired and hearing impaired can better be served if we are willing to take a considered look at what we ought to offer and at what locations. The Library Commission, the Friends of the Library and Keep Libraries Alive are all cooperating on a commissioned study which should answer these questions. They have asked that we not act precipitously in this budget pending the outcome of the study. The City Librarian estimates that the required public process will take up to eight months. We have provided the necessary funds to buy that time. We have done so by allowing authorized but vacant positions to remain and by providing temporary money so that the CETA replacements are employed on a temporary basis during this interim time.



DEPARTMENT OF HEALTH

The Department of Public Health is our single biggest employer - 4,571 employees and our biggest spending Department as well (\$174 million). Departmental employment totals are down by some 49 employments. There are many personnel changes within programs and between units; however, the Department adhered to our request for a net decrease in employments for 1981-82.

The single most important factor for 81/82 is the very large increase in Federal/State reimbursements at Laguna Honda - projected to increase to \$25.2 million from a budgeted \$13.6 million in the current year.

Table IV

Revenue/Tax Comparisons
Department of Public Health
(000 Omitted)

	<u>EXPEND.</u>	<u>1981/82 Budget</u>			<u>1980/81 Budget</u>	
		<u>REVENUE</u>	<u>TAX SUPPORT</u>		<u>REVENUE</u>	<u>TAX SUPPORT</u>
Central Office	\$ 26,160 ⁽¹⁾	\$ 7,321 ⁽¹⁾	\$18,839	\$ 22,421	\$ 6,100	\$16,321
Emergency Services	4,583	301	4,282	4,404	301	4,103
Laguna Honda Hosp.	33,923	25,250	8,673	28,707	13,663	15,044
SF General Hospital	77,855 ⁽²⁾	39,932	37,923	72,766	39,384	33,382
Comm. Mental Health	28,791	23,085	5,706	26,434	22,749	3,685
A9-B (BAIL-OUT)		<u>29,317</u>	<u>(29,317)</u>		<u>27,938</u>	<u>(27,938)</u>
	<u>\$171,312⁽¹⁾</u>	<u>\$125,206⁽¹⁾</u>	<u>\$46,106</u>	<u>\$154,732</u>	<u>\$110,135</u>	<u>\$44,597</u>

(1) Excludes \$3,093 in transfers from SFGH & CMHS.

(2) Includes for \$1.0 million for settlement with Nurses.

Thus total Departmental expenditures will increase by some \$16.5 million representing salary standardization and other inflation in medical costs, while the required tax support increases by only \$1.5 million. Again, a word of extreme caution is necessary here. The preponderant source of revenues for both Laguna Honda Hospital and San Francisco General Hospital are Medi/Cal-Medicare. Both programs are under intense scrutiny by State and Federal funding agencies. This budget does not contemplate any changes in Medi/Cal-Medicare reimbursement formulas. Should these be forthcoming during the budget year; drastic program reductions would become necessary as mentioned earlier in this message.

As to departmental programs, I am pleased to tell you that the full scale operation of Clarendon Hall has already reduced waiting lists from 322 to 210. The service level at Laguna Honda will remain generally high. We are authorizing sufficient substituted positions to increase their financial management capability to insure that the new sources of revenues by which we have funded this budget are realized.

At San Francisco General Hospital where revenues have not increased, we are making the most stringent efforts to contain costs. Hiring freezes have been instituted in non-essential programs and will continue into the year. The recently negotiated settlement allows us finally to attract Registered Nurses to City service and the freeze, of course, does not extend to them. The management of the Hospital is seeking to reorganize certain services to cut costs or to increase productivity and a number of lay-offs in non-patient care classes may result. We will do all we can to accomplish this through attrition or transfer.

In allocating its available resources, the department made an effort to maintain Mental Health Services at or near current levels. This has necessitated a further assumption of declining federal grants by the City. In response to the priorities of this administration, the emphasis at CMHS will change from outpatient indirect services to inpatient and direct care services.

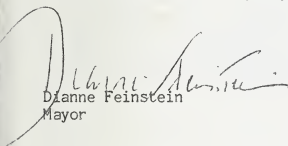
The only other Departmental net increases in positions approved by my office (we do not approve the Courts' budgets) are a net increase of 2 positions assigned to the new noise monitoring project at the Airport, one clerical position for the Chief Administrative Officer, and 2 clerical positions for the Rent Arbitration Board which had been supported in part by CETA personnel now withdrawn.

Finally, I want to address a problem of far less visibility but of great concern to me. That is the investment, or rather lack of investment, we make in the infrastructure of the City. Our buildings, roads and other structures continue to deteriorate at a far greater pace than we are able to repair or replace them, a problem long familiar to us as "deferred maintenance."

In the 1980/81 budget we were able to propose only some \$2,000,000 of general fund facilities maintenance/capital outlay spending. This year I propose to more than double that amount to \$4.4 million. We are able to do so because of the foresight of the Board of Supervisors in establishing a Capital Reserve Account with General Fund moneys trimmed from last year's budget. That reserve account was established at \$2.7 million and the budget proposes to use \$2.2 million for capital items, including the long sought roof repair at the DeYoung Museum (\$750,000). The remaining projects have been selected essentially in the priority order suggested by the Capital Improvements Advisory Committee. I would point out in this regard that our budget for the first time displays the six year Capital budget as requested.

This has been a long and perhaps complicated message. Deservedly so, because we are dealing with a complicated subject and because I view the budget as the primary expression of our administration's intentions.

As you prepare for your deliberation on this proposal, we are for our part ready to help you in any way possible.



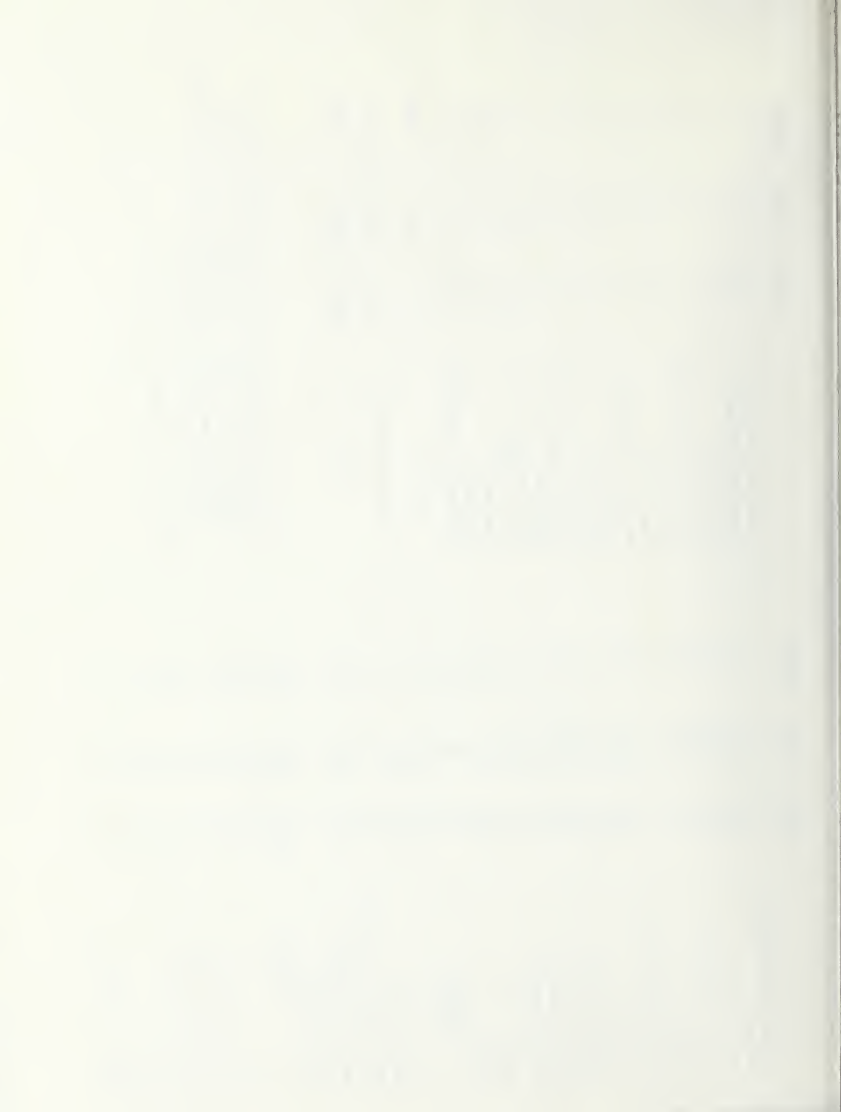
Dianne Feinstein
Mayor

IN AUTHORIZED POSITIONS

	80/81	81/82	Change		80/81	81/82	Change
Board of Supervisors	58	58	--	Academy of Sciences	18		
Assessor	117	111	-6	Fine Arts Museum	85	9	-9
City Attorney	123	121	-2	Asian Arts	15	81	-4
District Attorney	289	280*	-9*	Law Library	3	3	--
Public Defender	68	68*	--	Rent Arbitration Board	3	5	+2
Sheriff	404	402*	-2*	CAO	16	17	+1
County Education	1	1	--	Real Estate	35	35	--
Treasurer/Tax Collector	145	125	-20	Weights & Measures	15	14	-1
Controller	548	465	-83	Coroner	31	31	--
Superior Court	120	120	--	Electricity	112	103	-9
Municipal Court	237	243	+6	Recorder	19	19	--
Juvenile Court	284	275*	-9*	Public Admin/Guardian	25	25	--
Adult Probation	111	103*	-8*	Registrar	18	18	--
County/Superior	123	124	+1	Public Health	4620	4571	-49
Court Clerk	123	124	+1	Public Works	1299	1244	-55
Mayor	78	68	-10	Cleanwater	453	465	+12
Airport	828	830	+2	Purchaser	213	210	-3
Art Commission	30	22	-8	Convention Facilities	25	25	--
Planning	65	74	+9				
Fire Service	97	97	--	Civilian	21070	20671	-399
Fire	1636	1636	--				
Hatch Hetchy	163	162	-1	Police Officers	1880	1971	+91
Health Service	40	34	-6				
Human Rights Commission	12	12	--	TOTAL	22950**	22642**	-308
Municipal Railway	3431	3452	+21				
Parking Authority	3	3	--				
Permit Appeals	2	2	--				
Police: Uniformed	1880	1971	+91				
Civilian	807	720*	-87				
Port	223	211	-12				
Public Utilities	515	527	+12				
Public Library	481	481	--				
Recreation & Park	780	776	-4				
Retirement System	84	73	-11				
Social Services	1637	1582	-55				
War Memorial	45	43	-2				
Water	471	471	--				
Status of Women	1	1	--				
Light, Heat & Power	8	8	--				

*The 81/82 "Authorized Positions" do NOT include any positions funded by the "Emergency Crime Package" adopted late in 1981. The position losses shown for *Departments are in all cases offset by positions authorized by that supplemental.

**Excludes Commission on the Aging.



OFFICE OF THE MAYOR
SAN FRANCISCO



DIANNE FEINSTEIN

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June 1 1983

The Honorable Board of Supervisors
City Hall, Room 235
San Francisco, California 94102

Dear President Nelder and Members of the Board:

Today, I am submitting to the Board of Supervisors the San Francisco budget for the 1983-84 fiscal year. In every respect, it is a documentation of the optimism I feel for our city and the priorities we share as a Mayor and Board of Supervisors.

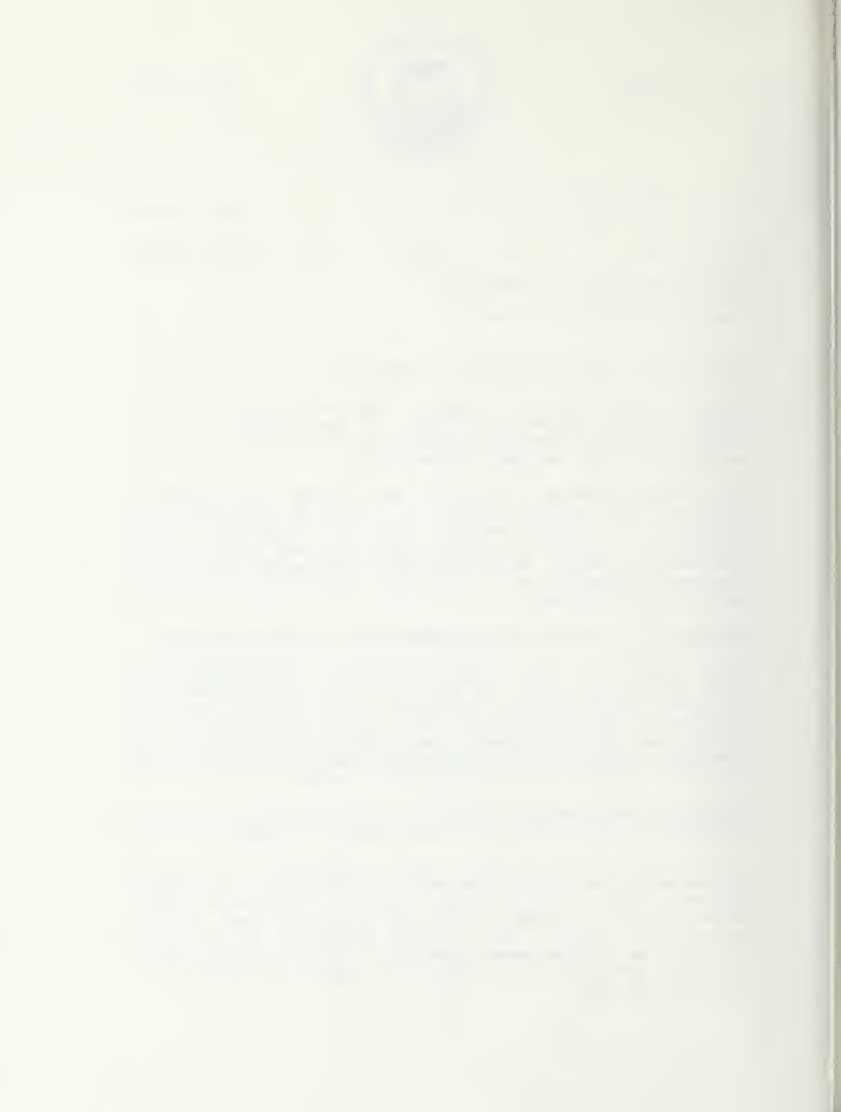
This budget expresses in dollars the balanced and progressive policies which are our shared and continuing goals for San Francisco. It increases services without increasing taxes. Every department is funded to function effectively and to meet rigid performance standards. While heightening governmental efficiencies, the proposal protects our physical plant, modernizes our processes and helps eliminate waste.

Thus the City's present is strengthened and its future safeguarded.

These proposals call for overall spending of \$1,481,000,000--plus \$59.4 million set aside for possible future infrastructure, an affordable housing fund, tax delinquencies and police, fire and Muni salaries yet to be determined. The spending increase is 11.7 percent over last year's budget--due largely to higher salaries and retirement benefits, inflation and some dramatic increases in City services. Last year the increase was 14.6 percent.

As Mayor, I am exceedingly pleased to deliver to you this printed documentation of San Francisco's sound economic condition.

I submit to you that its fiscal stability makes San Francisco the rare exception among major governments in this country. The federal government, most cities and many states are following a dismal pattern of fiscal disaster, deficit and debt--while their services to taxpayers decline. Here, prudent management of our civic resources and a strong economy enable us to improve services, build a better government and enhance the quality of life on a pay-as-you-go basis.



Inevitably, the City's budget is a compilation of priorities. At the top of the list I have placed those governmental operations which can make the lives of San Franciscans safer, healthier and more convenient: the Police, Fire and Health Departments and the Municipal Railway. The spending proposals for those large departments all aim at modernizing, increasing efficiency and expanding services to the public.

In department after department, you will see proposals for enriching life in our city and improving its physical fabric. Doubled police beat coverage, a more reliable Muni, expanded library services, fewer potholes and cleaner streets, a beautified Embarcadero, a rehabilitated Market Street, innovative day care centers for the elderly, improved park maintenance, a new international air terminal, a revitalized Port, more museum security--all these and many more civic embellishments are to be found here. I will go into more detail later.

The budget I offer today is a finely-tuned assessment of San Francisco's needs, the hard-won product of months of difficult labors and long hours of discussion, debate and decision in 52 City departments. Finally, the budget is a statement of commitment to measurable objectives--which I intend to monitor closely as we strive toward my consistent goal: making our City an even better place to live, and work, and play.

Once again, we emerge with a surplus--but one that is now almost totally committed and in reserve. After using \$65.5 million to balance this budget, setting aside \$25 million for capital improvements if that money is not needed to balance the 1984-85 budget, \$10 million reserved for an affordable housing fund and a \$14.7 million emergency reserve--all of which we have agreed are essential--we are left with an actual opening surplus of \$2.2 million.

Because of the above--and because, as I have continually stated, our revenues do not match our expenditures--I must deliver a firm warning along with this budget: I will take a hard line against any future initiatives which require spending increases or reductions in revenues.

Supplemental appropriations must end. It is my intention to disapprove of any action that requires new funds or decreases our revenue potential.

Additionally, I remind you that Board-initiated actions this fiscal year resulted in reducing revenues by \$12 million. I caution you that new revenue reductions are impossible if we are to prudently plan for the future and avoid layoffs and service reductions. Our most important goal must be to keep the city on a firm financial footing so the future is not marred by crisis and confrontation.

Let's look at the record. Last fall, we had a budget surplus of \$152 million--the bulk of it one-time only, the result of court decisions and non-recurring savings. I believe we used those surplus dollars well, but now they are gone. The following chart shows where the surplus went and where it stands today.

Table I--UPDATE: The Status of the 1982-83 Surplus (in millions)

THE STARTING SURPLUS\$152.5

Less:

1) Infrastructure investments:

Roads, parks, buildings	\$47.5 (25m in reserve)
Muni buses	21.0
School maintenance	3.1
Affordable Housing Fund	10.0 (in reserve)
Hall of Justice jail	1.4
Other (see separate list)	2.6

Total infrastructure investment.....\$-85.6

2) Other uses:

General Assistance	\$ 4.8
Muni claims	4.8
Democratic convention	4.5
Medically indigent adults	2.6 *
Employee safety net	2.0
Police salary accounts	2.5
Other (see separate list)	15.8
Anticipated to June 30	2.2

Total other uses.....-39.2

CURRENTLY REMAINING IN SURPLUS..... 27.7

Plus close-out from 1982-83 budget +40.0

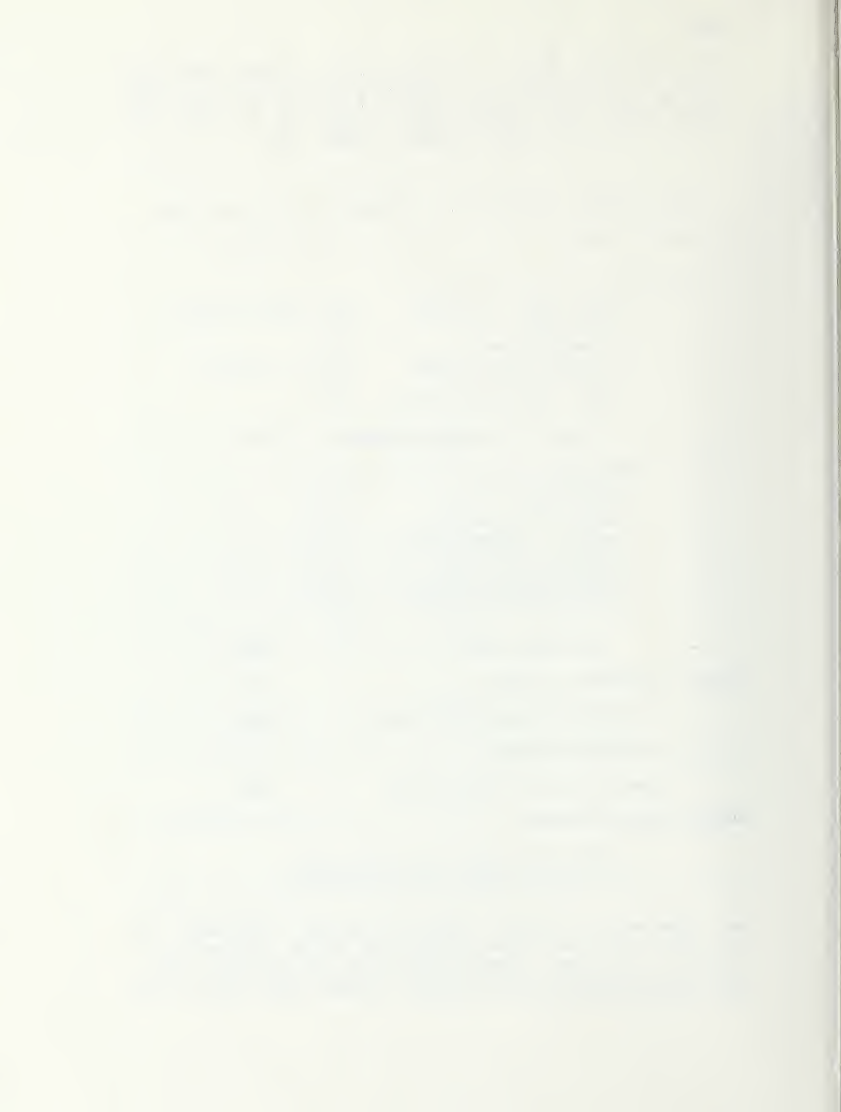
Available for 1983-84 67.7

Needed to balance 1983-84 budget -65.5

OPENING BALANCE OF SURPLUS.....\$ 2.2 million

* Total expenditure \$6.8 million, with
\$4.2 million coming from SFGH accounts.

Our dependency on surplus money to balance the budget is increasing. Since our income is not equal to our expenses, each recent year has shown a greater need for the use of surplus funds. In 1981-82, we required \$46.8 million, last year \$54.1 million and this year \$65.5 million.



Responsibility for balancing the City's revenues and expenditures falls upon me alone as I submit this balanced budget for your fine-tuning. Your cooperation is essential, and I know it will be forthcoming, as it has in the past. I urge each of you as public officials to join with me by helping to keep San Francisco's fiscal house in order.

Salaries are routinely the greatest single cost within the budget, and again represent the largest single increases. Each year by law the City compares salaries of its employees with those doing comparable work outside San Francisco, increasing wages of City workers when warranted. In a work force of 23,000, the cost in dollars is huge. This year salary standardizations costs the City \$54 million--including fringe benefits--an average increase of 6 percent.

Police and Fire Department retirement costs are soaring. The City's required contribution rises dramatically in this year's budget. In the 1982-83 budget, Police and Fire personnel retirement contributions totalled \$91.9 million. This year, that figure will be \$110.3 million. We now contribute a dollar in retirement costs for every dollar of wages paid to uniformed personnel, as shown here.

	<u>82/83</u> <u>rate</u>	<u>83/84</u> <u>rate</u>	<u>Cost 83/84</u> <u>wages</u>	<u>Cost 83/84</u> <u>Retirements</u>
POLICE	91%	96%	\$61.9 million	\$58.7 million
FIRE	96%	105%	<u>\$48.8 million</u>	<u>\$51.6 million</u>
Total this year....			\$110.7 million	\$110.3 million

Each year as the retirement costs climb, these amounts become more and more difficult to meet.

Expenditures from our General Fund, the discretionary accounts of the City, have risen to \$714.5 million, \$71.5 million more than in the current year's budget. This trend is shown in the following table, which includes percentage changes in our spending.

Table II--SPENDING PATTERN - ALL FUNDS (in millions)

	<u>1982-83</u>	<u>1983-84</u>	<u>Change</u>	<u>Percent</u>
General Fund	\$643.0	\$714.5	+\$71.5	11.1%
Other Funds	682.7	766.5	+ 83.8	12.3%
Total.....	\$1,325.7	\$1,481.0	+\$155.3	11.7%

- - -
Let me turn now to specific departments, beginning with those which are largest, have most personnel, are most expensive and--importantly--are of the greatest direct service to the public.



The Muni Railway: More Support, Better Service

This fiscal year will see the Muni budget increase 10.1 percent: \$17.1 million over its revised 82/83 budget. That includes \$4.4 million set aside for salary standardization--for which a precise cost will not be known until late this summer.

This year will also see the beginnings of a "New Muni"--with a variety of improvements reflecting my commitment to long-range investment in more convenient, more comfortable and more reliable public transportation. These are the 1983/84 highlights:

1--The cable car system will begin operating after a 20-month shutdown for the \$58 million renovation on all three lines. The budget provides \$1 million for start-up needs. With the program now on schedule, the cable cars will be back on track by June 1, 1984. We expect the private fund-raising drive to reach its \$10 million goal within a month or so.

I take this opportunity to commend and thank the people of San Francisco for their remarkable cooperation and understanding as we tear up some 69 blocks of the City for this huge project. The few complaints truly reflect our citizens' affection for the cable cars.

2--180 new diesel buses and 149 totally-rehabilitated buses will be phased in this year to replace the worst of the old buses and thereby enhance reliability throughout the system;

3--Thirty new light rail vehicles (LRVs) will increase the Muni Metro's capacity by about 25 percent--substantially relieving peak time crowding and reducing the number of breakdowns, which now is totally unacceptable. The budget includes funding for 40 new positions for the maintenance of Muni vehicles and facilities.

4--Orders will be placed for San Francisco's first articulated vehicles. There will eventually be as many as 100, with the first in operation by fall of 1985--another step towards expanding Muni's carrying capacity.

I believe we have solved our diesel maintenance problems. Despite the advanced age of our fleet, our buses are performing at improved levels--with no missed runs on some days each week. Bringing Muni back from its diesel disaster of 1981 has been a monumental achievement--with credit going to an unrelenting drive by the Muni staff and the investment in new maintenance personnel and equipment in the current budget. This year's budget increases that investment.

Muni's fares remain the lowest of all major transit systems in the United States--except for that of Los Angeles, where voters approved a transit tax to keep fares down. Because federal operating funds have failed to keep up with transit costs, we have increased General Fund support for Muni--from \$69.8 million in 1982/83 to \$74.3 million in 1983/84.

It is clear that Muni funding problems will continue--making the \$5-per-square-foot development fee San Francisco has proposed an urgent need. I have asked the City Attorney to give high priority to resolving the litigation now blocking collection of these monies.



The Police: More Officers, Less Crime

The Police Department budget shows a 10.5 percent, \$14.1 million increase that includes personnel step-increases, promotions, salary standardization and training.

For the first time in the City's history, the Police Department will operate for an entire year at its fully authorized strength. I believe this gives San Francisco an extraordinary opportunity to continue its winning battle against crime. Crime here was down 5 percent last year and so far this year has been reduced more than 6 percent--with violent crimes down a full 17 percent.

We have now reached a recent high of about 100 officers on foot patrols--more than twice what we had less than a year ago--and are striving to double that number by the end of 1984. I believe the City's recent remarkable gains against crime are the result of more police on the beats, faster response, effective police management and more neighborhood crime efforts.

In recent years the police have reduced to 2 minutes and 40 seconds their average response time for priority calls--moving toward our target of two minutes. This year will see another step towards reducing response time: computerized dispatch for patrol cars.

As I told the Police Commission: "Crime and the fear it generates must be reduced relentlessly. Expanded foot beats and closer supervision of all officers by their sergeants and lieutenants will, I believe, increase the department's capacity to fight crime and make our City a safe place."

I have asked the Police Commission to make improvement of officer professionalism, courtesy and attitudes a major goal--with on-going training for lieutenants and sergeants and performance appraisal for all police personnel.

The Fire Department: Maintaining Peak Performance

This budget permits maintenance of daily manning by 315 firefighters in the 61 units, comprised of 41 engine companies, two rescue companies and 18 truck companies, in our distinguished Fire Department.

It will bolster the department's ability to maintain its three-minute average response time for building fires and rescues.

I am pleased that this year we can restore the ladder capabilities lost at Midtown Terrace two years ago when Truck 20 was removed. I pledged that facility would be restored when funds were available, and that time has come. Station 20 will get a "quint"--a combination aerial truck and engine with five capabilities--one of several departmental purchases.

In 1982 we entered an agreement with the Fire Fighters Union that has helped stabilize our fire force and reduced the immediate need for new hires--an efficiency the department has long needed.

Health Department: A \$28 Million Increase

San Francisco's Department of Health is one of the most advanced--and busiest--in the state. This fiscal year it dealt with 2,175,137 patient visits, and about 2,500,000 are expected next year. In a time of rapidly changing health concerns and resources, the department has been quick to respond.

This past year has seen a major shift in State responsibilities for the Medically Indigent Adult (MIA) program which places increasing burdens on the City. \$14 million of the \$28 million increase in the Health Department budget this year is MIA-related. The total spending is 13.1 percent higher than the 82/83 revised budget.

I am proud to announce that this year we will establish two day care programs for the elderly, one at Laguna Honda Hospital and the other at North of Market Senior Center, to provide outpatient medical services, recreational activities and meals for up to 90 persons daily. This program is aimed at keeping senior citizens self-sufficient and out of institutions--and it is our hope some costs will be recovered through federal and state funding.

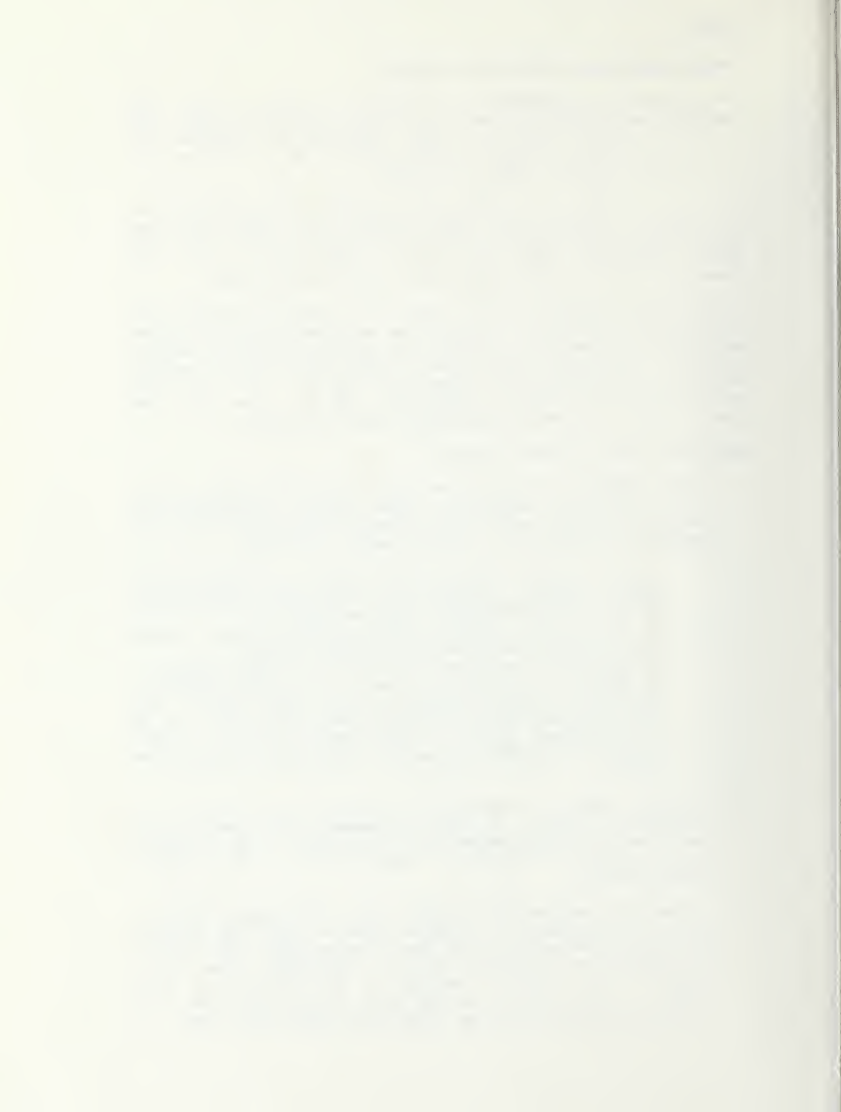
Now let me touch on other specifics:

**** AIDS PROGRAMS:** The City's war against the urgent AIDS problem will continue and expand. The budget proposes approximately \$2 million to heighten our efforts to combat locally the escalating nationwide health crisis. The following is provided:

- 1) \$1.1 million for the AIDS services at San Francisco General Hospital: \$900,000 for a 14-bed ward, \$100,000 for the clinic and \$100,000 for other services.
- 2) \$319,000 for central office administration, disease control, and screening and counseling services.
- 3) \$100,000 for mental health counseling for AIDS victims.
- 4) \$224,000 to continue counseling, training, information and referral services provided by the Shanti Project, and Kaposi Sarcoma Research and Educational Foundation. (Up to 48 residential units for AIDS patients were provided through a \$268,000 supplemental appropriation approved in April.)

We expect additional spending for AIDS pursuant to the Board's resolution. However, by mutual agreement, these monies will come from within these budget totals--therefore I urge the Board to leave the Health Department budget in tact to the greatest extent possible.

**** Medically Indigent Adult (MIA) care:** The budget features a continuing commitment to indigent persons who need medical help. Efficiencies and fewer MIAs than expected have enabled the Health Department to function effectively after major changes in the state's handling of the MIA program last January. The City has an estimated 13,500 MIAs, who have visited its health facilities 30,000 times already this year.



**** Medi-Cal Contract:** San Francisco General is one of the San Francisco hospitals approved by Medi-Cal--and our contract is considered the area's best.

**** Mental Health:** With less federal and state help, we are required to provide more and more care for those who have no place else to turn, and we will do so.

**** Clinical labs at SFGH:** The sale of Hassler Hospital for more than \$3 million allows us to put that money into planning and construction of the long-needed new laboratories at San Francisco General. Construction begins this fiscal year, with completion due in June of 1986. We expect \$2.1 million in state money for the project.

The Port: Successes for Our Pacific Gateway Despite worldwide recession, our efforts to promote San Francisco as the Gateway to the Pacific are succeeding. Port tonnage and revenue have increased, and we expect a 5 percent tonnage increase in the new fiscal year. The budget will continue the promotional efforts.

The Port will close its 1982-83 year with a \$6 million surplus. Next year, its commercial division expects a 24 percent increase in income to \$15.6 million--with total Port income rising \$4 million to \$28 million.

I am also delighted we are able to undertake a major program of maintenance and beautification of Port facilities. At my request, the Port will clean and paint all its structures. The world will see a lighter, brighter Embarcadero than ever before.

There is \$6.5 million in the Port budget to begin construction of the long-awaited Fisherman's Wharf breakwater--to protect the fishing fleet, provide more berths and increase fish handling space. The approval process will now begin, with construction to start by the end of this calendar year. We also expect to put out requests for proposals for the Pier 45 development in October.

The Airport: Our New International Terminal In July, San Francisco International Airport will open the world's most up-to-date international passenger facility in the remodeled Central Terminal. No longer will incoming passengers have a tedious, crowded wait to be checked by Customs officers. Instead, they will move smoothly through streamlined processes in a gracious setting. We will all take pride in a space-age terminal that warmly welcomes visitors and home-coming residents.

Already, passengers give our airport high marks--with parking and concessions increasing revenues. Remarkably, through attrition, the airport will actually reduce the number of its employees this year.

Rec & Park: Better Care, and a New Center This year I am putting a high priority on upgrading the maintenance of neighborhood parks and squares so well used by so many San Franciscans. I have directed the Recreation and Park Commission to give them greater attention, and recommended six new positions for a mobile crew to fine-tune maintenance at all the parks.

We are also moving ahead with reforestation of Golden Gate Park and other parks throughout the City.

In the current fiscal year, 23 parks and 30 athletic fields have been renovated--and the new budget will fund renovation of another 15 parks and 38 athletic fields.

Golden Gate Park continues to be the shining jewel of our park system. I hear many reports that the park never looked better--and increasing numbers of people are using its facilities.

I am delighted we can now fulfill my promise of a first-class indoor recreation center for the Mission District. This 30,000-square-foot facility at 2450 Harrison Street will house the first Rec & Park racquet ball courts, a weight room, a gymnastics room and rooms for music, dance, manual arts and drama. The first stage will open next month, with completion due early in 1984.

This year we will re-institute the Summer Youth Workcreation program abandoned in 1978 after Proposition 13. About 200 eleventh and twelfth graders will work four hours and play two hours a day, five days a week for eight weeks--being paid \$3.60 an hour for the work portion.

The Library: A Boom in Books It is such a great pleasure to report all our libraries remain open and functioning fully--with larger book collections, expanding services and apparently greater public satisfaction.

We have recorded an overall increase of 13.6 percent in book circulation at the Main, seven super-branches and the Business Branch--led by a 24 percent increase at the Mission Branch. Smaller branch circulation is growing more slowly--although the Anna E. Waden Branch in the Bayview was up 31 percent.

A computerized circulation system, which automates most library functions, will be fully on line at the Main and all super-branches this month. It not only improves library efficiency, it makes library processes simpler for the public. The new budget extends computerization to six smaller branches at a cost of \$242,000.

Planning Department: More Help for Orderly Growth Our City is growing, and changing. To be sure that growth remains orderly and controlled, enhancing the lives of San Franciscans, I am recommending adding ten positions to the Planning Department to expedite our long-awaited Downtown plan and environmental impact report--with adoption of the Downtown plan expected before this year ends. Similar focus will go to the huge "city-within-a-city" Mission Bay project proposed by the Southern Pacific Company and plans for developing the Van Ness corridor.

The new staff positions promise the City improved code enforcement, violation abatement and permit processing, as well as bolstering the department's transportation planning.

The Controller: A Modernized City Payroll System Continuing our efforts to improve government efficiency, we have increased the Controller's operating budget from \$12.4 million last year to \$14 million.

This year will see the realization of a new citywide payroll system to replace the cumbersome, fragmented methods now in use. It will be phased in during 1984, with the old system remaining in use until the new one is in place. Initial implementation of the new system will start in January. About 70 additional staffers will be required, then phased out as the old system is shut down.

The Internal Audit Division staff has been substantially increased, to continue to assure us of financial integrity, and other steps are underway to modernize processes.

The department's excellent financial reporting is paying dividends and winning increased respect for the City, as evidenced recently by the upgrading of our bond ratings. This will save us large amounts of money by reducing the interest we must pay to amortize bonds.

Public Works: Visible Changes Our Department of Public Works continues to meet or surpass its performance objectives in street cleaning and repair and building repair and maintenance. It will continue all its services with no increase in tax support or fees. Notably, there will be no increase in the sewer service charge.

Some tidier residential areas of the City will see the mechanical street sweepers less often as the department modifies weekly schedules to minimize inconvenience to parkers. But the clean streets efforts will go on undiminished.

Street repair crews will increase their targeted potholes from 10,000 to 16,000 in the coming year. This year the crews exceeded their goals and filled almost 15,000 street holes.

All projects in the \$20 million supplemental passed last March for repairing streets, public buildings and parks are either on schedule or slightly ahead of schedule--with all of them due for completion by February of 1985. The first phase of its largest single project, a \$1 million Market Street rehabilitation, will be under construction by October. (See the attached flow chart.)

Also in reserve is the recently-passed supplemental appropriation of \$25 million to be used for capital improvements if the money is not needed to balance the 1984-85 budget. Meanwhile, we will do the planning work and set project priorities.

Civil Service: Solution to Temporary Problem The agreement achieved this spring with employee unions means the full benefits of City employment will be extended to hundreds of positions heretofore classified as "temporary."

As part of the agreement, we are instituting accelerated Civil Service examinations this year and extending them into the new budget year. Once those exams are completed, we will keep all exam lists current and hire and promote from them. That requires 48 more employees and almost \$2 million.

This equality of status for City employees means the City's civil service system is strengthened and the morale of employees improved.

I also expect implementation this year of our long-awaited Senior Management Service, which will make it possible to tie compensation to performance for those who manage our programs.

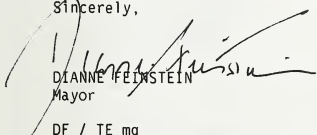
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I have discussed only a few of the many, many elements this budget contains. As your Board works with the budget document, members of my staff can provide any additional detail you may require.

A line-by-line examination of this budget does not readily reveal the increasing emphasis we are placing on enlarging the financial and management skills within each City department. Several years ago we began a strong program of measuring departmental performance, setting goals and evaluating results. This is the hallmark of our effort to make government work more effectively, more responsively and more economically. Those goals are hard to come by, but I believe that year by year, we are making significant progress.

Again, I ask you to look upon this budget not simply as one year's fiscal plan, but as a performance commitment that reflects our shared priorities for San Francisco.

Sincerely,



DIANNE FEINSTEIN
Mayor

DF / TE mg

DOLLAR CHANGE BY DEPARTMENT

Department	82-83 Revised	83-84 Request	% Change
Board	\$ 3,630,284	\$ 3,622,360	-0.2
Assessor	4,075,418	4,919,161	5.9
District Attorney	12,675,287	14,405,467	13.6
Public Defender	4,496,765	5,204,433	16.0
Sheriff	18,567,303	19,626,319	5.7
County Education	470,407	483,113	2.7
Treasurer-Tax Collector	4,523,563	5,025,723	10.8
Controller	21,262,107	24,586,898	15.6
Superior Court	6,422,226	7,048,438	9.7
Municipal Court	11,657,364	13,010,568	11.6
Juvenile Court	9,358,900	10,232,259	9.3
Adult Probation	3,355,260	3,731,372	11.2
County Clerk	3,724,647	4,238,071	13.7
Mayor	3,242,378	3,125,632	-3.6
Aging	0	733,333	
Airport	120,115,666	104,765,808	-12.7
Art Commission	687,428	653,018	-5.0
Planning	3,628,045	4,353,604	20.0
Civil Service	4,940,611	5,994,729	21.3
Fire	98,324,666	112,604,674	14.5
Hetch Hetchy	51,717,235	46,352,966	-10.3
Human Rights	578,061	685,701	18.6
MUNI	168,890,479	186,026,742	10.1
Parking Authority	1,201,794	1,101,581	-8.3
Permit Appeals	159,269	177,857	11.6
Police	141,757,006	156,686,755	10.5
Port	32,274,951	26,011,879	-19.4
Library	11,672,228	13,261,675	13.6
Recreation and Park	32,807,201	36,219,894	10.4
Retirement	11,795,532	11,110,018	-5.8
Social Services	152,532,462	158,125,612	3.6
War Memorial	3,150,804	3,395,667	7.7
Water	31,369,754	36,232,823	15.5
Status of Women	47,001	145,544	209.6
Light, Heat & Power	3,021,735	3,021,735	0.0
Academy of Science	872,341	951,689	9.1
Fine Arts Museum	2,772,241	3,039,599	9.6
Asian Arts Museum	618,008	702,651	13.7
Law Library	130,084	140,766	8.2
Rent Board	278,700	431,441	54.8
CAO	27,754,120	29,311,201	5.6
Real Estate	546,752	606,338	10.9
County Agriculture	454,303	470,245	3.5
Coroner	1,226,715	1,341,348	9.3
Electricity	3,310,153	3,602,723	8.8
Recorder	676,030	535,168	-20.8
Public Administrator	958,591	1,060,391	10.6
Registrar	1,806,314	2,548,722	41.1
Records Center	112,645	132,500	17.6
DPH-Central	36,935,207	42,093,479	13.9
Laguna Honda	40,231,486	45,638,063	13.4
General Hospital	104,416,438	118,404,721	13.4
Mental Health	34,884,719	38,680,054	10.8
Public Works	70,522,992	77,529,352	9.9
Purchaser	3,330,319	4,154,157	24.7
Clean Water	20,609,760	20,562,730	-0.2
Convention Facilities	18,710,001	18,853,279	0.7
Infrastructure excl reserve	89,600,274	60,814,830	-33.2
TOTAL	\$1,438,891,030	\$1,497,926,876	

Includes Salary Standardization



OTHER USES OF SURPLUS MONEY
(Explanation of "Other" items in chart on Page 3.)

Infrastructure:

Log Cabin Ranch repairs	\$200,000
Mental Health Clinic V	300,000
County Jail improvements	200,000
Public Works street signs	400,000
City Hall roof	800,000
SFGH generator	200,000
Academy of Science	500,000

Total.....\$2,600,000

Miscellaneous items:

Registrar's computer	\$509,000
Planning Dept. Downtown EIR	500,000
Housing Authority patrol	581,000
Senior Escort Service	297,000
Street Car Festival	348,000
Replace federal planning funds	188,000
Police Office of Citizen Complaint	226,000
District Attorney, street crime	192,000
Payroll project	333,000
Transit Development fee	496,000
Mayor Recall Election	425,000
Special Congressional Election	438,000
Aid to homeless	620,000
Library salaries (nights,wknds)	272,000
Jobs for Homeless	279,000
Civil Service exams unit	389,000
AIDS, Health Dept.	293,000
Unsanitary Abatement	200,000
Fisherman's Wharf bus	351,000
63 items less than \$175,000 each	8,857,000

Total.....\$15,800,000

CONTRACT IS A WRITTEN REPRESENTATION OF THE CONTRACT
DOCUMENTS THAT: FULLY EXHAUSTIVE REPRESENTATION OF THE
DOCUMENTS THAT: FULLY EXHAUSTIVE REPRESENTATION OF THE
DOCUMENTS THAT: FULLY EXHAUSTIVE REPRESENTATION OF THE

SCHEDULE LEGEND

LIST OF PROJECTS AND PROGRESS SCHEDULE

DEPARTMENT PROJECT	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68	2068-69	2069-70	2070-71	2071-72	2072-73	2073-74	2074-75	2075-76	2076-77	2077-78	2078-79	2079-80	2080-81	2081-82	2082-83	2083-84	2084-85	2085-86	2086-87	2087-88	2088-89	2089-90	2090-91	2091-92	2092-93	2093-94	2094-95	2095-96	2096-97	2097-98	2098-99	2099-00	2100-01	2101-02	2102-03	2103-04	2104-05	2105-06	2106-07	2107-08	2108-09	2109-10	2110-11	2111-12	2112-13	2113-14	2114-15	2115-16	2116-17	2117-18	2118-19	2119-20	2120-21	2121-22	2122-23	2123-24	2124-25	2125-26	2126-27	2127-28	2128-29	2129-30	2130-31	2131-32	2132-33	2133-34	2134-35	2135-36	2136-37	2137-38	2138-39	2139-40	2140-41	2141-42	2142-43	2143-44	2144-45	2145-46	2146-47	2147-48	2148-49	2149-50	2150-51	2151-52	2152-53	2153-54	2154-55	2155-56	2156-57	2157-58	2158-59	2159-60	2160-61	2161-62	2162-63	2163-64	2164-65	2165-66	2166-67	2167-68	2168-69	2169-70	2170-71	2171-72	2172-73	2173-74	2174-75	2175-76	2176-77	2177-78	2178-79	2179-80	2180-81	2181-82	2182-83	2183-84	2184-85	2185-86	2186-87	2187-88	2188-89	2189-90	2190-91	2191-92	2192-93	2193-94	2194-95	2195-96	2196-97	2197-98	2198-99	2199-00	2200-01	2201-02	2202-03	2203-04	2204-05	2205-06	2206-07	2207-08	2208-09	2209-10	2210-11	2211-12	2212-13	2213-14	2214-15	2215-16	2216-17	2217-18	2218-19	2219-20	2220-21	2221-22	2222-23	2223-24	2224-25	2225-26	2226-27	2227-28	2228-29	2229-30	2230-31	2231-32	2232-33	2233-34	2234-35	2235-36	2236-37	2237-38	2238-39	2239-40	2240-41	2241-42	2242-43	2243-44	2244-45	2245-46	2246-47	2247-48	2248-49	2249-50	2250-51	2251-52	2252-53	2253-54	2254-55	2255-56	2256-57	2257-58	2258-59	2259-60	2260-61	2261-62	2262-63	2263-64	2264-65	2265-66	2266-67	2267-68	2268-69	2269-70	2270-71	2271-72	2272-73	2273-74	2274-75	2275-76	2276-77	2277-78	2278-79	2279-80	2280-81	2281-82	2282-83	2283-84	2284-85	2285-86	2286-87	2287-88	2288-89	2289-90	2290-91	2291-92	2292-93	2293-94	2294-95	2295-96	2296-97	2297-98	2298-99	2299-00	2300-01	2301-02	2302-03	2303-04	2304-05	2305-06	2306-07	2307-08	2308-09	2309-10	2310-11	2311-12	2312-13	2313-14	2314-15	2315-16	2316-17	2317-18	2318-19	2319-20	2320-21	2321-22	2322-23	2323-24	2324-25	2325-26	2326-27	2327-28	2328-29	2329-30	2330-31	2331-32	2332-33	2333-34	2334-35	2335-36	2336-37	2337-38	2338-39	2339-40	2340-41	2341-42	2342-43	2343-44	2344-45	2345-46	2346-47	2347-48	2348-49	2349-50	2350-51	2351-52	2352-53	2353-54	2354-55	2355-56	2356-57	2357-58	2358-59	2359-60	2360-61	2361-62	2362-63	2363-64	2364-65	2365-66	2366-67	2367-68	2368-69	2369-70	2370-71	2371-72	2372-73	2373-74	2374-75	2375-76	2376-77	2377-78	2378-79	2379-80	2380-81	2381-82	2382-83	2383-84	2384-85	2385-86	2386-87	2387-88	2388-89	2389-90	2390-91	2391-92	2392-93	2393-94	2394-95	2395-96	2396-97	2397-98	2398-99	2399-00	2400-01	2401-02	2402-03	2403-04	2404-05	2405-06	2406-07	2407-08	2408-09	2409-10	2410-11	2411-12	2412-13	2413-14	2414-15	2415-16	2416-17	2417-18	2418-19	2419-20	2420-21	2421-22	2422-23	2423-24	2424-25	2425-26	2426-27	2427-28	2428-29	2429-30	2430-31	2431-32	2432-33	2433-34	2434-35	2435-36	2436-37	2437-38	2438-39	2439-40	2440-41	2441-42	2442-43	2443-44	2444-45	2445-46	2446-47	2447-48	2448-49	2449-50	2450-51	2451-52	2452-53	2453-54	2454-55	2455-56	2456-57	2457-58	2458-59	2459-60	2460-61	2461-62	2462-63	2463-64	2464-65	2465-66	2466-67	2467-68	2468-69	2469-70	2470-71	2471-72	2472-73	2473-74	2474-75	2475-76	2476-77	2477-78	2478-79	2479-80	2480-81	2481-82	2482-83	2483-84	2484-85	2485-86	2486-87	2487-88	2488-89	2489-90	2490-91	2491-92	2492-93	2493-94	2494-95	2495-96	2496-97	2497-98	2498-99	2499-00	2500-01	2501-02	2502-03	2503-04	2504-05	2505-06	2506-07	2507-08	2508-09	2509-10	2510-11	2511-12	2512-13	2513-14	2514-15	2515-16	2516-17	2517-18	2518-19	2519-20	2520-21	2521-22	2522-23	2523-24	2524-25	2525-26	2526-27	2527-28	2528-29	2529-30	2530-31	2531-32	2532-33	2533-34	2534-35	2535-36	2536-37	2537-38	2538-39	2539-40	2540-41	2541-42	2542-43	2543-44	2544-45	2545-46	2546-47	2547-48	2548-49	2549-50	2550-51	2551-52	2552-53	2553-54	2554-55	2555-56	2556-57	2557-58	2558-59	2559-60	2560-61	2561-62	2562-63	2563-64	2564-65	2565-66	2566-67	2567-68	2568-69	2569-70	2570-71	2571-72	2572-73	2573-74	2574-75	2575-76	2576-77	2577-78	2578-79	2579-80	2580-81	2581-82	2582-83	2583-84	2584-85	2585-86	2586-87	2587-88	2588-89	2589-90	2590-91	2591-92	2592-93	2593-94	2594-95	2595-96	2596-97	2597-98	2598-99	2599-00	2600-01	2601-02	2602-03	2603-04	2604-05	2605-06	2606-07	2607-08	2608-09	2609-10	2610-11	2611-12	2612-13	2613-14	2614-15	2615-16	2616-17	2617-18	2618-19	2619-20	2620-21	2621-22	2622-23	2623-24	2624-25	2625-26	2626-27	2627-28	2628-29	2629-30	2630-31	2631-32	2632-33	2633-34	2634-35	2635-36	2636-37	2637-38	2638-39	2639-40	2640-41	2641-42	2642-43	2643-44	2644-45	2645-46	2646-47	2647-48	2648-49	2649-50	2650-51	2651-52	2652-53	2653-54	2654-55	2655-56	2656-57	2657-58	2658-59	2659-60	2660-61	2661-62	2662-63	2663-64	2664-65	2665-66	2666-67	2667-68	2668-69	2669-70	2670-71	2671-72	2672-73	2673-74	2674-75	2675-76	2676-77	2677-78	2678-79	2679-80	2680-81	2681-82	2682-83	2683-84	2684-85	2685-86	2686-87	2687-88	2688-89	2689-90	2690-91	2691-92	2692-93	2693-94	2694-95	2695-96	2696-97	2697-98	2698-99	2699-00	2700-01	2701-02	2702-03	2703-04	2704-05	2705-06	2706-07	2707-08	2708-09	2709-10	2710-11	2711-12	2712-13	2713-14	2714-15	2715-16	2716-17	2717-18	2718-19	2719-20	2720-21	2721-22	2722-23	2723-24	2724-25	2725-26	2726-27	2727-28	2728-29	2729-30	2730-31	2731-32	2732-33	2733-34	2734-35	2735-36	2736-37	2737-38	2738-39	2739-40	2740-41	2741-42	2742-43	2743-44	2744-45	2745-46	2746-47	2747-48	2748-49	2749-50	2750-51	2751-52	2752-53	2753-54	2754-55	2755-56	2756-57	2757-58	2758-59	2759-60	2760-61	2761-62	2762-63	2763-64	2764-65	2765-66	2766-67	2767-68	2768-69	2769-70	2770-71	2771-72	2772-73	2773-74	2774-75	2775-76	2776-77	2777-78	2778-79	2779-80	2780-81	2781-82	2782-83	2783-84	2784-85	2785-86	2786-87	2787-88	2788-89	2789-90	2790-91	2791-92	2792-93	2793-94	2794-95	2795-96	2796-97	2797-98	2798-99	2799-00	2800-01	2801-02	2802-03	2803-04	2804-05	2805-06	2806-07	2807-08	2808-09	2809-10	2810-11	2811-12	2812-13	2813-14	2814-15	2815-16	2816-17	2817-18	2818-19	2819-20	2820-21	2821-22	2822-23	2823-24	2824-25	2825-26	2826-27	2827-28	2828-29	2829-30	2830-31	2831-32	2832-33	2833-34	2834-35	2835-36	2836-37	2837-38	2838-39	2839-40	2840-41	2841-42	2842-43	2843-44	2844-45	2845-46	2846-47	2847-48	2848-49	2849-50	2850-51	2851-52	2852-53	2853-54	2854-55	2855-56	2856-57	2857-58	2858-59	2859-60	2860-61	2861-62	2862-63	2863-64	2864-65	2865-66	2866-67	2867-68	2868-69	2869-70	2870-71	2871-72	2872-73	2873-74	2874-75	2875-76	2876-77	2877-78	2878-79	2879-80	2880-81	2881-82	2882-83	2883-84	2884-85	2885-86	2886-87	2887-88	2888-89	2889-90	2890-91	2891-92	2892-93	2893-94	2894-95	2895-96	2896-97	2897-98	2898-99	2899-00	2900-01	2901-02	2902-03	2903-04	2904-05	2905-06	2906-07	2907-08	2908-09	2909-10	2910-11	2911-12	2912-13	2913-14	2914-15	2915-16	2916-17	2917-18	2918-19	2919-20	2920-21	2921-22	2922-23	2923-24	2924-25	2925-26	2926-27	2927-28	2928-29	2929-30	2930-31	2931-32	2932-33	2933-34	2934-35	2935-36	2936-37	2937-38	2938-39	2939-40	2940-41	2941-42	2942-43	2943-44	2944-45	2945-46	2946-47	2947-48	2948-49	2949-50	2950-51	2951-52	2952-53	2953-54	2954-55	2955-56	2956-57	2957-58	2958-59	2959-60	2960-61	2961-62	2962-63	2963-64	2964-65	2965-66	2966-67	2967-68	2968-69	2969-70	2970-71	2971-72	2972-73	2973-74	2974-75	2975-76	2976-77	2977-78	2978-79	2979-80	2980-81	2981-82	2982-83	2983-84	2984-85	2985-86	2986-87	2987-88	2988-89	2989-90	2990-91	2991-92	2992-93	2993-94	2994-95	2995-96	2996-97	2997-98	2998-99	2999-00	3000-01	3001-02	3002-03
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Office of the Mayor
SAN FRANCISCO



FRANK M. JORDAN

Budget Message from the Mayor ... To the Bd. of Supervisors.

April 22, 1992

The Honorable Jim Gonzalez, Chair
The Honorable Carole Migden
The Honorable Terence Hallinan
Finance Committee
San Francisco Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

Dear Supervisor Gonzalez & Members of the Finance Committee:

This letter responds to your request for advance information about the FY 1993 budget I will propose to the Board of Supervisors on June 1, 1992.

The Challenge

The City faces major challenges in closing an estimated \$170 million gap between projected FY 1993 general fund revenues and expenditures. More than one third of this amount, or some \$60 million, represents an unfunded FY 1992 deficit covered by the salary freeze. The continuing drought, and the deepest recession in more than two decades, also have contributed to the \$170 million anticipated FY 1993 shortfall.

The Mayor and Board of Supervisors have limited shortrun flexibility to reduce general fund expenditures to match projected revenues. Approximately 58% of the City's total budget is shielded by State and Federal law or other mandates, rigid Civil Service rules, or is outside the general fund. Less than \$1 billion of the City's \$2.3 billion in expenditures can be altered to bring the general fund into balance. Therefore, major cuts will be required in many general fund departments.

I have yet to complete my review of many City departments, and many decisions remain, but I want to give the Board some advance information about my intentions for balancing the FY 1993 budget. The full and detailed budget will, of course, be presented to the Board of Supervisors on June 1, 1992, in accordance with the schedule specified in the City Charter.

The Process

Shortly after I took office, I issued budget instructions requesting that departments' FY 1993 budget submissions:

- . reflect a 10% reduction from their FY 1992 general fund expenditures,
- . adjust user charges to recover the cost of the services to which charges are applied, and
- . prioritize the services provided by the department.

These instructions were designed to enable me to address a FY 1993 budget deficit projected by my staff to be in the range of \$120 million to \$140 million. The reductions were to include savings resulting from positions eliminated by the Proposition A early retirement program. Although the core strategy for balancing the FY 1993 budget was to rely on administrative and operational efficiencies, and on revenue enhancements based on updated fees and user charges, the prioritization of services provided a source of additional savings should these be required.

At that time I stated that I would take into account differences among departments, rather than merely applying the same across-the-board percent reduction to all departments. However, each department was asked to propose a 10% cut as the basis for discussion and further analysis. I expected then to adjust reductions to reflect my policy priorities, while accounting for legal restrictions such as consent decrees and other requirements unique to a particular department.

In early April, the Controller, Board of Supervisors' Budget Analyst, and my Director of Finance submitted a joint report that projected the FY 1993 deficit at \$170 million. Proposition A, which mandated elimination of 500 positions,

was expected to generate savings of \$22 million, leaving a net deficit of \$148 million. The larger size of the projected FY 1993 deficit -- exclusive of Proposition A savings -- required an increase in departmental targets for the combination of expenditure cuts and revenue increases. The \$170 million deficit, when adjusted for the mandated costs of bond service and the budget of the Superior and Municipal Courts (which the Mayor cannot reduce), would translate into an 18 percent general fund reduction -- to be composed of expenditure cuts and/or revenue increases.

For the past several weeks I have engaged in exhaustive, and exacting reviews of each general fund department to develop the required cuts in expenditures while minimizing the impact on street-level services to the people of San Francisco. I have asked each department to recommend expenditure reductions that would minimize the impact on such services. In most cases, these departmental recommendations have gone through public commission hearings before they reach my desk for consideration.

My priority is to preserve those services that directly affect the safety, health and well-being of all who live and work in San Francisco, while cutting administrative overhead and redundancy. This is an ongoing process that still requires some weeks of work to complete. Therefore, I must caution you that there are many determinations yet to be made and some initial decisions will change as the process continues.

Mayor's Budget Meetings

To date, I have met with each of the City's major general fund departments -- Police, Fire, Health, MUNI, Library, Recreation and Park, Social Services, and Parking and Traffic -- and in some cases, I have met with the department head several times. Final budget decisions will not be made until I've completed meetings with the City's smaller departments. My initial decisions will be confirmed only within the context of the City's total fiscal picture.

In order to provide you with a better idea of my deliberations, I have attached a preliminary list of budget proposals. Attachment A lists potential expenditure reductions; Attachment B lists potential revenue increases; and Attachment C lists preliminary targets for major departments.

Differences Among Departmental Targets

As noted earlier, expenditure and revenue adjustments are not equally or proportionally distributed among departments for several reasons:

1. Legal constraints limit the City's flexibility in areas governed by consent decrees, collective bargaining agreements, and court orders.

I and my staff are making every effort to minimize the effects of these legal constraints. This may entail discussions with the courts and plaintiffs in consent decree situations and working with affected employee organizations where collective bargaining agreements apply.

I cannot provide you with specific details of these discussions without compromising my effectiveness in addressing these legal constraints. Please be assured, however, that I understand that there must be significant cuts in the criminal justice agencies, which are largely governed by consent decrees, in order to minimize the cuts in health, social services, and transportation.

2. Certain functions are revenue-producing, so that a \$1 budget cut yields less than \$1 in general fund savings.

I hope to make as few of these types of cuts as possible.

3. Proportionate cuts would so devastate some of the smallest departments that they would not be able effectively to carry out their mission.

I plan no significant cuts in departments, such as the Commission on the Status of Women, which are small and which comprise only a minimal portion of the City's total general fund budget.

4. The budget is the Mayor's primary policy tool, and will be used to emphasize vital services essential to public health and safety.

5. As a candidate for Mayor, I pledged not to raise general taxes, and I will honor that pledge. Tax increases simply are not effective in a time of economic recession, and would have a detrimental effect on the City's tax base.

Process for the Coming Weeks

As you know, the Mayor's budget must be finalized and submitted to the Board of Supervisors by June 1. The budget will be prepared and submitted in accordance with the public processes governed by the Charter and administrative practices, including the following:

- . Commission consideration of revenue increases
- . Meet and confer processes related to layoffs and other proposed changes in wages, hours or working conditions
- . Specially mandated hearings for reductions in health services
- . Thirty days' notice for all layoffs and related "bumping" of City employees

While there is no mandate that Commissions hold hearings on the Mayor's budget reductions, I will advise department heads to keep their Commissions fully informed of budget actions that may affect them, and I shall make every effort to keep you and the public informed of major decisions.

Note on SB 855 Services

The attached package reflects my hope that I will be able to maintain \$7 million of the services that the Board had identified as priorities for SB 855 funding. The remaining \$2 million in SB 855 items are intended to facilitate revenue collection at San Francisco General Hospital and part of the start-up costs for a Lesbian and Gay Youth Center. We will endeavor to fund the revenue collection efforts through a separate revenue bond process, and locate the Youth Center in a way that will reduce projected start-up costs.

Note on Layoffs

The attached detail does not include information on the number of expected layoffs. The extent of layoffs cannot be determined until the identification of the 500 positions cut as a result of Proposition A has been completed. This should occur within the next two weeks.

Note on Departmental Targets

The proposals reflected in the attachments to this letter have not been finalized, and still are under review. In several cases I have provided only general descriptions, in order to preserve my ability to address legal constraints.

I look forward to working with you as we address this difficult situation.

Sincerely,



Frank M. Jordan
Mayor

cc: Honorable Kevin Shelley
John Taylor, Clerk of the Board

ATTACHMENT A

EXPENDITURE REDUCTIONS

Police Department

- Eliminate several high-level command positions;
- Reductions in overtime, holiday pay, and workers' compensation costs through more aggressive control of these expenses;
- Phase out of civilian functions, such as school crossing guards, that can be provided by light duty officers; by volunteers (i.e., parents as school-crossing guards); or by other agencies or personnel.

Health Department

- Reduce UC contract cost-of-living increase;
- Forego purchase of new vehicles and of materials and supplies;
- Reduced expenditures for accreditation preparation; workers' compensation; aspects of infection control program (tentative, pending finalization of revenue bond proposal);
- Reduce some services in primary care clinics;
- Reduce homeless hospital aftercare program and some drop-in services at health centers;
- Consolidate and reorganize some mental health programs as well as reduce services in others.
- Reduce additional General Fund allocation to substance abuse services.

Fire Department

- Eliminate several top-level Command positions, with absorption of Battalion Chief position assigned to the Airport; reassign Chief operators to fire suppression duties.
- Adjustments to reflect closure of station for seismic upgrades.
- Reduce extended work week funds;

Municipal Railway

- Eliminate administrative and engineering positions left vacant by Proposition A;
- Eliminate some driver positions, due to Proposition A;
- Realign administrative staffing;

Social Services

- Eliminate top administrative positions vacated by Proposition A;
- Reduce contracts for persons with developmental disabilities;
- Savings because of projected decrease in general assistance caseload;

Recreation and Park

- Reorganize zoo services, to accommodate Proposition A retirements;
- Zoological society assumes greater funding responsibility;
- Reorganize parks maintenance;
- Reorganize recreation division, with minimal service effect.

Library

- Streamline service with minimal effect on branch and Main Library hours.
- Reduce cataloging and processing services.

Parking and Traffic

- Reduce General Fund staffing, partially due to Proposition A retirements.

SB 855 Services Sought to be Maintained (may rely on alternate funding sources, such as grant funds)

- Services for at-risk and HIV-infected youth;
- Condom distribution for DSS programs and school district;
- Needle exchange program and related residential substance abuse services;
- Enhanced women's health screening services;
- Funding for battered women shelters;
- Expanded Chronic Fatigue Syndrome epidemiology and research;
- Reinstatement of critical programs, including dental services;
- Lead prevention program.

ATTACHMENT B

REVENUE INCREASES

Police Department

- Increased charges for special events.

Health Department

- Increased charges for emergency services; cafeteria prices; billing for Medi-Cal services (i.e., oxygen at Laguna Honda Hospital).
- Opening of 30 new beds at Laguna Honda Hospital.

Municipal Railway

- Increased fares:

	<u>Current</u>	<u>Proposed</u>
Tokens	--	\$ 1.00
Adult	\$ 0.85	1.25
Fast Pass	30.00	35.00
Youth	0.25	0.35
Youth Pass	5.00	8.00
Senior	0.15	0.25
Senior Pass	4.50	6.00
Cable Car	2.00	3.00
Express Premium		40.00

- Increased Transit Impact Development Payments.

Recreation and Park

- Increased charges for tennis, swimming pools, special events parking, county fair building, golf, zoos

Parking and Traffic

- Increased citation balls for parking violations:

	<u>Current</u>	<u>Proposed</u>
Meters	\$12.00	\$15.00
Street Cleaning	15.00	20.00
Double Parking	40.00	50.00
Blocked driveway	25.00	50.00
Blocked sidewalk	20.00	25.00

- \$20.00 surcharge on towed vehicles;
- Establishment of "abandoned vehicle abatement authority"; \$1.00 fee per registered vehicle;
- 20% increase in City and County public parking garage rates;
- Increase in meter rates outside financial district, from 30¢ to 50¢, or from 75¢ to \$1.00 an hour, depending on the neighborhood.

Other

- Increased Hetch Hetchy contribution (\$4 million);
- Increased parking tax revenues from increases in garage rates (\$1.3 million);
- Increased Airport concession revenues (\$0.5 million).

ATTACHMENT CDEPARTMENTAL TARGETSAs of April 14, 1992*
(000's)

<u>Department</u>	<u>91/92 General Fund</u>	<u>92/93 Allocation</u>	<u>% Cut</u>
Police	\$ 188,160	\$ 178,752	5.0%
Health less new Net general including \$9 million SB 825	161,000	142,000	12%
Fire	144,242	137,030	5.0%
MUNI	115,148	97,876	15.0%
Social Services Net general Fund	88,785	102,300	Increase due to increase in G.A. and Foster Care
Recreation and Park	35,175	32,400	8.1%
Library	20,124	18,422	8.5%
Parking & Traffic	12,289	10,077	18.0%

*Allocations include some state and federal subventions, and reflect revenue increases. These are in the process of adjustment, as the Mayor reviews budgets and analyzes service impacts.

NOTE: Social Services, Rec and Park and Library include Protected Prop. J. funds

Rec and Park "reduction" will be about 14 percent recognizing increased revenues.

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